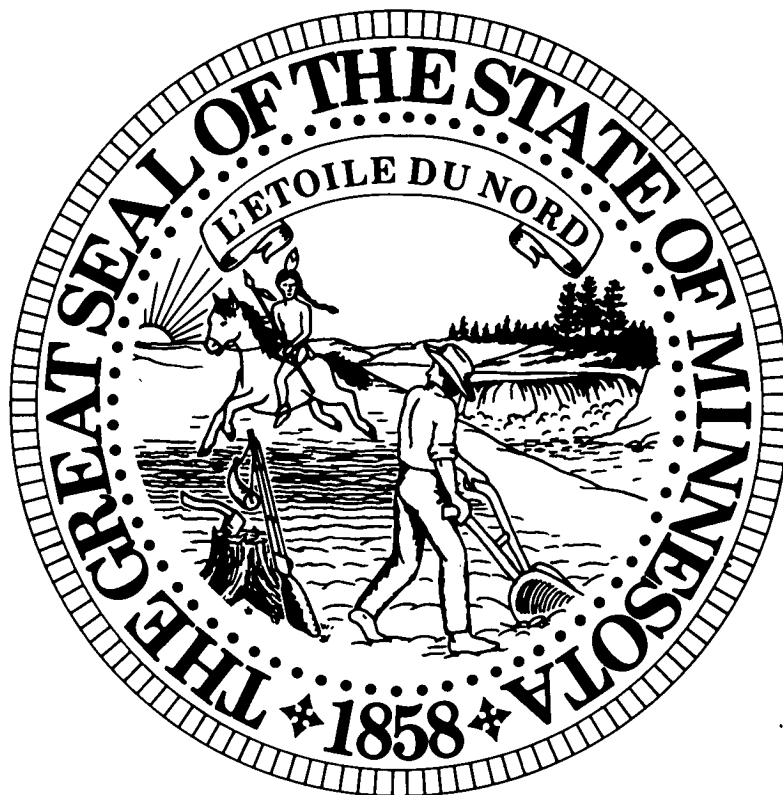


State of Minnesota

# STATE REGISTER

Department of Administration—Print Communications Division



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# STATE REGISTER

## Judicial Notice Shall Be Taken of Material Published in the *State Register*

The *State Register* is the official publication of the State of Minnesota, containing executive and commissioners' orders, proposed and adopted rules, official notices, state and non-state contracts, contract awards, grants, supreme court and tax court decisions, and a monthly calendar of cases to be heard by the state supreme court.

A *Contracts Supplement* is published every Thursday and contains additional state contracts and advertised bids, and the most complete source of state contract awards available in one source.

## Printing Schedule and Submission Deadlines

Vol. 14 Issue Number	*Submission deadline for Adopted and Proposed Rules, Commissioners' Orders**	*Submission deadline for Executive Orders, Contracts, and Official Notices**	Issue Date
5	Monday 17 July	Monday 24 July	Monday 31 July
6	Monday 24 July	Monday 31 July	Monday 7 August
7	Monday 31 July	Monday 7 August	Monday 14 August
8	Monday 7 August	Monday 14 August	Monday 21 August

\*Deadline extensions may be possible at the editor's discretion; however, none will be made beyond the second Wednesday (12 calendar days) preceding the issue date for rules, proposed rules and executive orders, or beyond the Wednesday (5 calendar days) preceding the issue date for official notices. Requests for deadline extensions should be made only in valid emergency situations.

\*\*Notices of public hearings on proposed rules and notices of intent to adopt rules without a public hearing are published in the Proposed Rules section and must be submitted two weeks prior to the issue date.

Instructions for submission of documents may be obtained from the *State Register* editorial offices, 504 Rice Street, St. Paul, Minnesota 55103, (612) 296-4273.

The *STATE REGISTER* is published every Monday (Tuesday when Monday is a holiday) by the State of Minnesota, Department of Administration, Print Communications Division, 117 University Avenue, St. Paul, Minnesota 55155, pursuant to *Minnesota Statutes* § 14.46. A *STATE REGISTER Contracts Supplement* is published every Thursday. The Monday edition is the vehicle for conveying all information about state agency rulemaking, including official notices; hearing notices; proposed, adopted and emergency rules. It also contains executive orders of the governor; commissioners' orders; state contracts and advertised bids; professional, technical and consulting contracts; non-state public contracts; state grants; decisions of the supreme and tax courts; a monthly calendar of scheduled cases before the supreme court; and other announcements. The Thursday edition contains additional state contracts and advertised bids, and the most complete listing of contract awards available in one source.

In accordance with expressed legislative intent that the *STATE REGISTER* be self-supporting, the following subscription rates have been established: the Monday edition costs \$130.00 per year and includes an index issue published in August (single issues are available at the address listed above for \$3.50 per copy); the combined Monday and Thursday editions cost \$195.00 (subscriptions are not available for just the *Contracts Supplement*); trial subscriptions are available for \$60.00, include both the Monday and Thursday edition, last for 13 weeks, and may be converted to a full subscription anytime by making up the price difference. No refunds will be made in the event of subscription cancellation.

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Subscribers who do not receive a copy of an issue should notify the *STATE REGISTER* circulation manager immediately at (612) 296-0931. Copies of back issues may not be available more than two weeks after publication.

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## FOR LEGISLATIVE NEWS

Publications containing news and information from the Minnesota Senate and House of Representatives are available free to concerned citizens and the news media. To be placed on the mailing list, write or call the offices listed below:

### SENATE

**Briefly-Preview**—Senate news and committee calendar; published weekly during legislative sessions.

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Contact: Senate Public Information Office  
Room 231 State Capitol, St. Paul, MN 55155  
(612) 296-0504

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**Session Weekly**—House committees, committee assignments of individual representatives; news on committee meetings and action. House action and bill introductions

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Contact: House Information Office  
Room 175 State Office Building, St. Paul, MN 55155  
(612) 296-2146

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# Minnesota Rules: Amendments and Additions

## NOTICE: How to Follow State Agency Rulemaking in the State Register

The *State Register* is the official source, and only complete listing, for all state agency rulemaking in its various stages. State agencies are required to publish notice of their rulemaking action in the *State Register*. Published every Monday, the *State Register* makes it easy to follow and participate in the important rulemaking process. Approximately 75 state agencies have the authority to issue rules. Each agency is assigned specific *Minnesota Rule* chapter numbers. Every odd-numbered year the *Minnesota Rules* are published. This is a ten-volume bound collection of all adopted rules in effect at the time. Supplements are published to update this set of rules. Proposed and adopted emergency rules do not appear in this set because of their short-term nature, but are published in the *State Register*.

If an agency seeks outside opinion before issuing new rules or rule amendments, it must publish a NOTICE OF INTENT TO SOLICIT OUTSIDE OPINION in the *Official Notices* section of the *State Register*. When rules are first drafted, state agencies publish them as **Proposed Rules**, along with a notice of hearing, or notice of intent to adopt rules without a hearing in the case of noncontroversial rules. This notice asks for comment on the rules as proposed. Proposed emergency rules and withdrawn proposed rules are also published in the *State Register*. After proposed rules have gone through the comment period, and have been rewritten into their final form, they again appear in the *State Register* as **Adopted Rules**. These final adopted rules are not printed in their entirety in the *State Register*, only the changes made since their publication as **Proposed Rules**. To see the full rule, as adopted and in effect, a person simply needs two issues of the *State Register*, the issue the rule appeared in as proposed, and later as adopted. For a more detailed description of the rulemaking process, see the *Minnesota Guidebook to State Agency Services*.

The *State Register* features partial and cumulative listings of rules in this section on the following schedule: issues 1-13 inclusive; issues 14-25 inclusive; issue 26, cumulative for issues 1-26; issues 27-38 inclusive; issue 39, cumulative for 1-39; issues 40-51 inclusive; and issue 52, cumulative for 1-52. An annual subject matter index for rules appears in August. For copies of the *State Register*, a subscription, the annual index, the *Minnesota Rules* or the *Minnesota Guidebook to State Agency Services*, contact the Print Communications Division, 117 University Avenue, St. Paul, MN 55155 (612) 297-3000 or toll-free in Minnesota 1-800-652-9747.

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# Proposed Rules

Pursuant to Minn. Stat. §§ 14.22, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. The notice must advise the public:

1. that they have 30 days in which to submit comment on the proposed rules;
2. that no public hearing will be held unless 25 or more persons make a written request for a hearing within the 30-day comment period;
3. of the manner in which persons shall request a hearing on the proposed rules; and
4. that the rule may be modified if the modifications are supported by the data and views submitted.

If, during the 30-day comment period, 25 or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of §§ 14.14-14.20, which state that if an agency decides to hold a public hearing, it must publish a notice of intent in the *State Register*.

Pursuant to Minn. Stat. §§ 14.29 and 14.30, agencies may propose emergency rules under certain circumstances. Proposed emergency rules are published in the *State Register* and, for at least 25 days thereafter, interested persons may submit data and views in writing to the proposing agency.

## Department of Commerce

### Proposed Permanent Rules Relating to Medicare Supplement

#### Notice of Intent to Adopt a Rule Without a Public Hearing

NOTICE IS HEREBY GIVEN that the Department of Commerce intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in *Minnesota Statutes*, sections 14.22 to 14.28. The statutory authority to adopt the rule is *Minnesota Statutes* § 45.023 and § 62A.42.

All persons have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30 day comment period. If 25 or more persons submit a written request for a public hearing within the 30 day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to *Minnesota Statutes*, section 14.131 to 14.20.

Comments or written requests for a public hearing must be submitted to:

Richard G. Gomsrud  
Department Counsel  
Minnesota Department of Commerce  
500 Metro Square Building  
St. Paul, Minnesota 55101  
(612) 296-5689

The proposed rule may be modified if the modifications are supported by data and views submitted to the agency and do not result in a substantial change in the proposed rule as noticed.

A copy of the proposed rule is attached to this notice.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available upon request from:

Richard G. Gomsrud  
Department Counsel  
Minnesota Department of Commerce  
500 Metro Square Building  
St. Paul, Minnesota 55101

**KEY: PROPOSED RULES SECTION** — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

## Proposed Rules

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If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to:

Richard G. Gomsrud  
Department Counsel  
Minnesota Department of Commerce  
500 Metro Square Building  
St. Paul, Minnesota 55101

Dated: 18 July 1989

Michael A. Hatch  
Commissioner of Commerce

### Rules as Proposed (all new material)

#### TRANSITIONAL REQUIREMENTS FOR THE CONVERSION OF BENEFITS AND PREMIUMS TO CONFORM TO MEDICARE PROGRAM REVISIONS

##### 2741.0010 PURPOSE.

The purpose of parts 2741.0010 to 2741.0080 is to:

- A. assure the orderly implementation and conversion of Medicare supplement insurance benefits and premiums due to changes in the federal Medicare program;
- B. provide for the reasonable standardization of the coverage, terms, and benefits of Medicare supplement policies or contracts;
- C. facilitate public understanding of the policies or contracts;
- D. eliminate provisions contained in the policies or contracts that may be misleading or confusing in connection with the purchase of the policies or contracts;
- E. eliminate policy or contract provisions that may duplicate Medicare benefits;
- F. provide full disclosure of policy or contract benefits and benefit changes; and
- G. provide for refunds of premiums associated with benefits duplicating Medicare program benefits.

##### 2741.0020 AUTHORITY.

Parts 2741.0010 to 2741.0080 are adopted under *Minnesota Statutes*, section 62A.42, providing authority for regulation of Medicare supplement insurance policies.

##### 2741.0030 APPLICABILITY AND SCOPE.

Parts 2741.0010 to 2741.0080 supersede other rules and requirements relating to Medicare supplement policies or contracts only to the extent necessary to assure that benefits are not duplicated, that applicants receive adequate notice and disclosure of changes in Medicare supplement policies and contracts, that appropriate premium adjustments are made in a timely manner, and that premiums are reasonable in relation to benefits.

Except as otherwise provided, parts 2741.0010 to 2741.0080 apply to:

- A. Medicare supplement policies and contracts delivered, or issued for delivery, or that are otherwise subject to the jurisdiction of Minnesota on or after the effective date of parts 2741.0010 to 2741.0080; and
- B. certificates issued under group Medicare supplement policies as provided in item A.

##### 2741.0040 DEFINITIONS.

Subpart 1. **Scope.** For purposes of parts 2741.0010 to 2741.0080, the words defined in this part have the meaning given them.

Subp. 2. **Applicant.** "Applicant" means:

A. in the case of an individual Medicare supplement policy or contract, the person who seeks to contract for insurance benefits; and

B. in the case of a group Medicare supplement policy or contract, the proposed certificate holder.

Subp. 3. **Certificate.** "Certificate" means a certificate issued under a group Medicare supplement policy.

Subp. 4. **Medicare supplement policy.** "Medicare supplement policy" means a group or individual policy of accident and sickness insurance or any other contract that is advertised, marketed, or designed primarily to provide health care benefits as a supplement to reimbursements under Medicare for the hospital, medical, or surgical expenses of persons eligible for Medicare by reason of age.

#### **2741.0050 BENEFIT CONVERSION REQUIREMENTS.**

Subpart 1. **Application.** Effective January 1, 1989, no Medicare supplement insurance policy, contract, or certificate in force in Minnesota shall contain benefits that duplicate benefits provided by Medicare.

##### **Subp. 2. General requirements.**

A. No later than 30 days before the annual effective date of Medicare benefit changes mandated by the Medicare Catastrophic Coverage Act of 1988, every insurer, health care service plan, or other entity providing Medicare supplement insurance or benefits to a resident of Minnesota shall notify its policyholders, contract holders, and certificate holders of modifications it has made to Medicare supplement insurance policies or contracts. The notice must be in a form prescribed by the commissioner or in the form adopted by the National Association of Insurance Commissioners in June 1988 if no other form is prescribed by the commissioner.

(1) The notice shall include a description of revisions to the Medicare program and a description of each modification made to the coverage provided under the Medicare supplement insurance policy or contract.

(2) The notice shall inform each covered person as to when any premium adjustment due to changes in Medicare benefits will be made.

(3) The notice of benefit modifications and premium adjustments must be in outline form and in clear and simple terms so as to facilitate comprehension. The notice must not contain or be accompanied by a solicitation.

B. No modifications to an existing Medicare supplement contract or policy must be made at the time of or in connection with the notice requirements of parts 2741.0010 to 2741.0080 except to the extent necessary to eliminate duplication of Medicare benefits and any modifications necessary under the policy or contract to provide indexed benefit adjustment.

C. As soon as practicable, but no longer than 45 days after the effective date of the Medicare benefit changes, every insurer, health care service plan, or other entity providing Medicare supplement insurance or contracts in Minnesota shall file with the department, in accordance with the applicable filing procedures of Minnesota:

(1) Appropriate premium adjustment necessary to produce loss ratios as originally anticipated for the applicable policies or contracts. The supporting documents as necessary to justify the adjustment must accompany the filing.

(2) Appropriate riders, endorsements, or policy forms needed to accomplish the Medicare supplement insurance modifications necessary to eliminate benefit duplications with Medicare. Riders, endorsements, or policy forms must provide a clear description of the Medicare supplement benefits provided by the policy or contract.

D. Upon satisfying the filing and approval requirements of Minnesota, every insurer, health care service plan, or other entity providing Medicare supplement insurance in Minnesota shall provide each covered person with a rider, endorsement, or policy form necessary to eliminate benefit duplications under the policy or contract with benefits provided by Medicare.

E. No insurer, health care service plan, or other entity shall require a person covered under a Medicare supplement policy or contract that was in force before January 1, 1989, to purchase additional coverage under the policy or contract unless additional coverage was provided for in the policy or contract.

F. Every insurer, health care service plan, or benefit, or other entity providing Medicare supplement insurance or benefits to a resident of Minnesota shall make premium adjustments as are necessary to produce an expected loss ratio under the policy or contract as will conform with minimum loss ratio standards for Medicare supplement policies and that is expected to result in a loss ratio at least as great as that originally anticipated by the insurer, health care service plan, or other entity for the Medicare supplement insurance policies or contracts. No premium adjustment that would modify the loss ratio experience under the policy other than the adjustments described in this part should be made with respect to a policy at any time other than upon its renewal date. Premium adjustments must be in the form of refunds or premium credits and must be made no later than upon renewal if a credit is given, or within 60 days of the renewal date if a refund is provided to the premium payer.

#### **2741.0060 REQUIREMENTS FOR NEW POLICIES AND CERTIFICATES.**

Subpart 1. **Application.** Effective January 1, 1989, no Medicare supplement insurance policy, contract, or certificate shall be

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## Proposed Rules

issued or issued for delivery in Minnesota that provides benefits that duplicate benefits provided by Medicare. No Minnesota policy, contract, or certificate shall provide fewer benefits than those required under the existing Medicare Supplement Minimum Standards Act or regulations except where duplication of Medicare benefits would result.

### Subp. 2. **General requirements.**

A. Within 90 days of the effective date of parts 2741.0010 to 2741.0080, every insurer, health care service plan, or other entity required to file its policies or contracts with Minnesota shall file new Medicare supplement insurance policies or contracts that eliminate the duplication of Medicare supplement benefits with benefits provided by Medicare and that provides a clear description of the policy or contract benefit.

B. The filing required under item A must provide for loss ratios that comply with all minimum standards.

C. Every applicant for a Medicare supplement insurance policy, contract, or certificate shall be provided with an outline of coverage that simplifies and accurately describes benefits provided by Medicare and policy or contract benefits along with benefit limitations.

### **2741.0070 FILING REQUIREMENTS FOR ADVERTISING.**

Every insurer, health care service plan, or other entity providing Medicare supplement insurance or benefits in Minnesota shall provide a copy of any advertisement intended for use in Minnesota whether through written, radio, or television medium to the commissioner of commerce for review by the commissioner. The advertisement must comply with all applicable laws of Minnesota.

### **2741.0080 BUYER'S GUIDE.**

No insurer, health care service plan, or other entity shall make use of or otherwise disseminate a buyer's guide or informational brochure that does not accurately outline current Medicare benefits and that has not been adopted by the commissioner.

## **MEDICARE SUPPLEMENT INSURANCE MINIMUM STANDARDS**

### **2741.0100 APPLICABILITY AND SCOPE.**

Except as otherwise specifically provided, parts 2741.0100 to 2741.0230 apply to:

A. Medicare supplement policies and subscriber contracts delivered or issued for delivery in Minnesota on or after the effective date of those parts; and

B. certificates issued under group Medicare supplement policies or subscriber contracts that have been delivered or issued for delivery in Minnesota.

Parts 2741.0100 to 2741.0230 do not apply to a policy or contract of one or more employers or labor organizations, or of the trustees of a fund established by one or more employers or labor organizations, or combination thereof, for employees or former employees, or a combination thereof, or for members or former members, or a combination thereof, of the labor organizations.

### **2741.0110 DEFINITIONS.**

Subpart 1. **Scope.** For purposes of parts 2741.0100 to 2741.0230, the terms defined in this part have the meanings given them.

Subp. 2. **Applicant.** "Applicant" means:

A. in the case of an individual Medicare supplement policy or subscriber contract, the person who seeks to contract for insurance benefits; and

B. in the case of a group Medicare supplement policy or subscriber contract, the proposed certificate holder.

Subp. 3. **Certificate.** "Certificate" means a certificate issued under a group Medicare supplement policy that has been delivered or issued for delivery in Minnesota.

Subp. 4. **Medicare supplement policy.** "Medicare supplement policy" means a group or individual policy of accident and sickness insurance or a subscriber contract of hospital and medical service associations or health maintenance organizations that is advertised, marketed, or designed primarily as a supplement to reimbursements under Medicare for the hospital, medical, or surgical expenses of persons eligible for Medicare by reason of age.

### **2741.0120 POLICY DEFINITIONS AND TERMS.**

Subpart 1. **Requirements.** No insurance policy or subscriber contract may be advertised, solicited, or issued for delivery in Minnesota as a Medicare supplement policy unless the policy or subscriber contract contains definitions or terms that conform to the requirements of this part.

Subp. 2. **Accident, accidental injury, or accidental means.** "Accident," "accidental injury," or "accidental means" must be defined to employ "result" language and must not include words that establish an accidental means test or use words such as

“external,” “violent,” “visible wounds,” or similar words of description or characterization.

A. The definition must not be more restrictive than the following: “Injury or injuries for which benefits are provided” means accidental bodily injury sustained by the insured person that is the direct result of an accident, independent of disease or bodily infirmity or any other cause, and occurs while insurance coverage is in force.

B. The definition may provide that injuries must not include injuries for which benefits are provided or available under any workers’ compensation, employer’s liability or similar law, or motor vehicle no-fault plan, unless prohibited by law.

Subp. 3. **Benefit period or Medicare benefit period.** “Benefit period” or “Medicare benefit period” must not be defined as more restrictive than as that defined in the Medicare program.

Subp. 4. **Convalescent nursing home, extended care facility, or skilled nursing facility.** “Convalescent nursing home,” “extended care facility,” or “skilled nursing facility” must be defined in relation to its status, facilities, and available services.

A. A definition of the home or facility must not be more restrictive than one requiring that it:

- (1) be operated pursuant to law;
- (2) be approved for payment of Medicare benefits or be qualified to receive approval, if so requested;
- (3) be primarily engaged in providing, in addition to room and board accommodations, skilled nursing care under the supervision of a duly licensed physician;
- (4) provide continuous 24-hour nursing service by or under the supervision of a registered graduate professional nurse (R.N.); and
- (5) maintains a daily medical record of each patient.

B. The definition of the home or facility may provide that the term not include:

- (1) a home, facility, or part of the home or facility used primarily for rest;
- (2) a home or facility for the aged or for the care of drug addicts or alcoholics; or
- (3) a home or facility primarily used for the care and treatment of mental diseases or disorders, or custodial or educational care.

Subp. 5. **Health care expenses.** “Health care expenses” means expenses of health maintenance organizations associated with the delivery of health care services that are analogous to incurred losses of insurers.

This term does not include:

- A. home office and overhead costs;
- B. advertising costs;
- C. commissions and other acquisition costs;
- D. taxes;
- E. capital costs;
- F. administrative costs; or
- G. claims processing costs.

Subp. 6. **Hospital.** “Hospital” may be defined in relation to its status, facilities, and available services or to reflect its accreditation by the Joint Commission on Accreditation of Hospitals.

A. The definition of the term “hospital” must not be more restrictive than one requiring that the hospital:

- (1) be an institution operated pursuant to law;
- (2) be primarily and continuously engaged in providing or operating, either on its premises or in facilities available to the hospital on a prearranged basis and under the supervision of a staff of duly licensed physicians, medical, diagnostic, and major surgical facilities for the medical care and treatment of sick or injured persons on an inpatient basis for which charge is made; and
- (3) provide 24-hour nursing service by or under the supervision of registered graduate professional nurses (R.N.).

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## Proposed Rules

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B. The definition of the term "hospital" may state that the term does not include:

- (1) convalescent homes, or convalescent, rest, or nursing facilities;
- (2) facilities primarily affording custodial, educational, or rehabilitary care;
- (3) facilities for the aged, drug addicts, or alcoholics; or

(4) any military or veterans hospital or soldiers home or any hospital contracted for or operated by any national government or agency thereof for the treatment of members or ex-members of the armed forces, except for services rendered on an emergency basis where a legal liability exists for charges made to the individual for the services.

Subp. 7. **Medicare.** "Medicare" must be defined in the policy. Medicare may be substantially defined as "The Health Insurance for the Aged Act, title XVIII of the Social Security Amendments of 1965 as Then Constituted or Later Amended," or title I, part I of Public Law Number 89-97, as enacted by the Eighty-Ninth Congress of the United States of America, and popularly known as the Health Insurance for the Aged Act, as then constituted and any later amendments or substitutes of it," or words of similar import.

Subp. 8. **Medicare eligible expenses.** "Medicare eligible expenses" means health care expenses of the kinds covered by Medicare, to the extent recognized as reasonable by Medicare. Payment of benefits by insurers for Medicare eligible expenses may be conditioned upon the same or less restrictive payment conditions, including determinations of medical necessity as are applicable to Medicare claims.

Subp. 9. **Mental or nervous disorders.** "Mental or nervous disorders" must not be defined more restrictively than a definition including neurosis, psychoneurosis, psychopathy, psychosis, or mental or emotional disease or disorder of any kind.

Subp. 10. **Nurses.** "Nurses" may be defined so that the description of nurse is restricted to a type of nurse, such as registered graduate professional nurse (R.N.), a licensed practical nurse (L.P.N.), or a licensed vocational nurse (L.V.N.). If the words "nurse," "trained nurse," or "registered nurse" are used without specific instruction, then the use of those terms requires the insurer to recognize the services of an individual who qualified under the terminology in accordance with the applicable statutes or administrative rules of the licensing or registry board of Minnesota.

Subp. 11. **Physicians.** "Physician" may be defined by including words such as "duly qualified physician" or "duly licensed physician." The use of those terms requires an insurer to recognize and to accept, to the extent of its obligation under the contract, all providers of medical care and treatment when these services are within the scope of the provider's licensed authority and are provided pursuant to applicable laws.

Subp. 12. **Sickness.** "Sickness" must not be defined to be more restrictive than the following: "Sickness means sickness or disease of an insured person that first manifests itself after the effective date of insurance and while the insurance is in force." The definition may be further modified to exclude sicknesses or diseases for which benefits are provided under a workers' compensation, occupational disease, employer's liability, or similar law.

### 2741.0130 PROHIBITED POLICY PROVISIONS.

Subpart 1. **Coverage limitations or exclusions.** No insurance policy or subscriber contract may be advertised, solicited, or issued for delivery in Minnesota as a Medicare supplement policy if the policy or subscriber contract limits or excludes coverage by type of illness, accident, treatment, or medical condition, except as follows:

A. foot care in connection with corns, calluses, flat feet, fallen arches, weak feet, chronic foot strain, or symptomatic complaints of the feet;

B. mental or emotional disorders, alcoholism, and drug addiction;

C. illness, treatment, or medical condition arising out of:

(1) war or act of war, whether declared or undeclared; participation in a felony, riot, or insurrection; service in the armed forces or auxiliary units;

(2) suicide, while sane or insane, attempted suicide, or intentionally self-inflicted injury;

(3) aviation;

D. cosmetic surgery, except that cosmetic surgery does not include reconstructive surgery when the service is incidental to or follows surgery resulting from trauma, infection, or other diseases of the involved part;

E. care in connection with the detection and correction by manual or mechanical means of structural imbalance, distortion, or subluxation in the human body for purposes of removing nerve interference and its effect, where the interference is the result of or related to distortion, misalignment, or subluxation of or in the vertebral column;

F. treatment provided in a governmental hospital; benefits provided under Medicare or other governmental program, except Medicaid; any state or federal workers' compensation, employer's liability or occupational disease law, or any motor vehicle no-fault

law; services rendered by employees of hospitals, laboratories, or other institutions; services performed by a member of the covered person's immediate family; and services for which no charge is normally made in the absence of insurance;

G. dental care or treatment;

H. eye glasses, hearing aids, and examination for the prescription or fitting of them;

I. rest cures, custodial care, transportation, and routine physical examinations;

J. territorial limitations outside the United States.

Supplemental policies may not contain, when issued, limitations or exclusions of the type in items A, E, I, or J that are more restrictive than those of Medicare. Medicare supplement policies may exclude coverage for an expense to the extent of a benefit available to the insured under Medicare.

Subp. 2. **Waivers.** No Medicare supplement policy may use waivers to exclude, limit, or reduce coverage or benefits for specifically named or described preexisting diseases or physical conditions.

Subp. 3. **Use of terms.** The terms "Medicare supplement," "Medigap," and words of similar import must not be used unless the policy is issued in compliance with parts 2741.0100 to 2741.0230.

Subp. 4. **Duplicate policies.** No Medicare supplement insurance policy, contract, or certificate in force in Minnesota shall contain benefits that duplicate benefits provided by Medicare.

#### **2741.0140 MINIMUM BENEFIT STANDARDS.**

Subpart 1. **Generally.** No insurance policy or subscriber contract may be advertised, solicited, or issued for delivery in Minnesota as a Medicare supplement policy that does not meet the following minimum standards. These are minimum standards and do not preclude the inclusion of other provisions or benefits that are not inconsistent with these standards.

Subp. 2. **General standards.** The following general standards apply to Medicare supplement policies and are in addition to all other requirements of parts 2741.0100 to 2741.0230.

A. A Medicare supplement policy may not deny a claim for losses incurred more than six months from the effective date of coverage for a preexisting condition. The policy may not define a preexisting condition more restrictively than a condition for which medical advice was given or treatment was recommended by or received from a physician within 90 days before the effective date of coverage.

B. A Medicare supplement policy may not indemnify against losses resulting from sickness on a different basis than losses resulting from accidents.

C. A Medicare supplement policy must provide that benefits designed to cover cost-sharing amounts under Medicare will be changed automatically to coincide with changes in the applicable Medicare deductible amount and copayment percentage factors. Premiums may be modified to correspond with these changes.

D. A "noncancelable," "guaranteed renewable," or "noncancelable and guaranteed renewable" Medicare supplement policy must not:

(1) provide for termination of coverage of a spouse solely because of the occurrence of an event specified for termination of coverage of the insured, other than the nonpayment of premium; or

(2) be canceled or nonrenewed by the insurer solely on the grounds of deterioration of health.

E. Termination of a Medicare supplement policy must be without prejudice to a continuous loss that began while the policy was in force, but the extension of benefits beyond the period during which the policy was in force may be predicated upon the continuous total disability of the insured, limited to the duration of the policy benefit period, if any, or payment of the maximum benefits.

Subp. 2. **Minimum benefit standards.** Parts 2741.0150 and 2741.0160 contain the minimum benefit standards for extended basic and basic Medicare supplement plan coverage.

#### **2741.0150 EXTENDED BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.**

The extended basic Medicare supplement plan must have a level of coverage so that it will be certified as a qualified plan pursuant to *Minnesota Statutes*, chapter 62E and will provide:

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- A. coverage for all of the Medicare part A inpatient hospital deductible amount;
- B. coverage for the daily copayment amount of Medicare part A eligible expenses for the first eight days per calendar year incurred for skilled nursing facility care;
- C. coverage for the 20 percent copayment amount of Medicare eligible expenses excluding outpatient prescription drugs under Medicare part B regardless of hospital confinement up to the maximum out-of-pocket amount for Medicare part B and coverage of the Medicare deductible amount;
- D. 80 percent of usual and customary hospital and medical expenses, supplies, and prescription drug expenses, including home intravenous (IV) therapy drugs and immunosuppressive therapy drugs not covered by Medicare's eligible expenses; and
- E. coverage for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells as defined under federal regulations under Medicare parts A and B, unless replaced in accordance with federal regulations.

### **2741.0160 BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.**

Subpart 1. **Generally.** The basic Medicare supplement plan must have a level of coverage that, at a minimum, will provide:

- A. coverage for the daily copayment amount of Medicare part A eligible expenses for the first eight days per calendar year incurred for skilled nursing facility care;
- B. coverage for the 20 percent copayment amount of Medicare eligible expenses excluding outpatient prescription drugs under Medicare part B regardless of hospital confinement up to the maximum out-of-pocket amount for Medicare part B after the Medicare deductible amount;
- C. coverage for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells as defined under federal regulations under Medicare parts A and B, unless replaced in accordance with federal regulations;
- D. coverage for the copayment amount of Medicare eligible expenses for covered home intravenous (IV) therapy drugs, as determined by the Secretary of Health and Human Services, subject to the Medicare outpatient prescription drug deductible amount, if applicable; and
- E. coverage for the copayment amount of Medicare eligible expenses for outpatient drugs used in immunosuppressive therapy subject to the Medicare outpatient prescription drug deductible, if applicable.

Subp. 2. **Optional benefit riders.** Only the following optional benefit riders may be added to this plan:

- A. coverage for all of the Medicare part A inpatient hospital deductible amount; and
- B. a minimum of 80 percent of usual and customary medical expenses and supplies not covered by Medicare part B eligible expenses. This does not include outpatient prescription drugs.

Subp. 3. **Medicare eligible expenses.** "Medicare eligible expenses" means health care expenses of the kinds covered by Medicare, to the extent recognized as reasonable by Medicare. Payment of benefits by insurers for Medicare eligible expenses may be conditioned upon the same or less restrictive payment conditions, including determinations of medical necessity as are applicable to Medicare claims.

### **2741.0170 STANDARDS FOR CLAIMS PAYMENT.**

- A. Every entity providing Medicare supplement policies or contracts shall comply with Section 4081 of the Omnibus Budget Reconciliation Act of 1987, Public Law Number 100-203.
- B. Compliance with the requirements in item A must be certified on the Medicare supplement insurance experience reporting form.
- C. The requirements of this part are in addition to any other requirements of law.

### **2741.0180 LOSS RATIO STANDARDS.**

Medicare supplement policies shall return to policyholders in the form of aggregate benefits under the policy, for the entire period for which rates are computed to provide coverage, on the basis of incurred claims experience or incurred health care expenses where coverage is provided by a health maintenance organization on a service rather than reimbursement basis and earned premiums for the period and in accordance with accepted actuarial principles and practices:

- A. at least 75 percent of the aggregate amount of premiums earned in the case of group policies; and
- B. at least 65 percent of the aggregate amount of premiums earned in the case of individual policies.

All filings of rates and rating schedules must demonstrate that actual and expected losses in relation to premiums comply with this part.



C. Every entity providing Medicare supplement policies in Minnesota shall file annually its rates, rating schedule, and supporting documentation, including ratios of incurred losses to earned premiums by number of years of policy duration demonstrating that it is in compliance with the foregoing applicable loss ratio standards and that the period for which the policy is rated is reasonable in accordance with accepted actuarial principles and experience.

For the purposes of this part, policy forms comply with the loss ratio standards if:

(1) for the most recent year, the ratio of the incurred losses to earned premiums for policies or certificates that have been in force for three years or more is greater than or equal to the applicable percentages contained in this part; and

(2) the expected losses in relation to premiums over the entire period for which the policy is rated comply with the requirements of this part. An expected third-year loss ratio that is greater than or equal to the applicable percentage must be demonstrated for policies or certificates in force less than three years.

D. As soon as practicable, but no later than 60 days before the effective date of Medicare benefit changes required by the Medicare Catastrophic Coverage Act of 1988, every insurer, health care service plan, or other entity providing Medicare supplement insurance or contracts in Minnesota, except employers subject to Section 421 of the Medicare Catastrophic Coverage Act of 1988, shall file with the commissioner in accordance with the applicable filing procedures of Minnesota:

(1) Appropriate premium adjustments necessary to produce loss ratios as originally anticipated for the applicable policies or contracts. The supporting documents as necessary to justify the adjustment must accompany the filing.

Every insurer, health care service plan, or other entity providing Medicare supplement insurance or benefits to a resident of Minnesota pursuant to *Minnesota Statutes*, sections 62A.31 to 62A.44 shall make the premium adjustments necessary to produce an expected loss ratio under the policy or contract as will conform with minimum loss ratio standards for Medicare supplement policies and that are expected to result in a loss ratio at least as great as that originally anticipated in the rates used to produce current premiums by the insurer, health care service plan, or other entity for the Medicare supplement insurance policies or contracts. No premium adjustment that would modify the loss ratio experience under the policy other than the adjustments described in this part should be made with respect to a policy at any time other than upon its renewal date or anniversary date. Premium adjustments must be in the form of refunds or premium credits and must be made no later than upon renewal if a credit is given, or within 60 days of the renewal date or anniversary date if a refund is provided to the premium payer. Premium adjustments must be calculated for the period beginning with Medicare benefit changes.

(2) Any appropriate riders, endorsements, or policy forms needed to accomplish the Medicare supplement insurance modifications necessary to eliminate benefit duplications with Medicare. These riders, endorsements, or policy forms must provide a clear description of the Medicare supplement benefits provided by the policy or contract.

#### **2741.0190 FILING REQUIREMENTS FOR OUT-OF-STATE GROUP POLICIES.**

An insurer providing group Medicare supplement insurance benefits to a resident of Minnesota under *Minnesota Statutes*, sections 62A.31 to 62A.44 shall file a copy of the master policy and any certificate used in Minnesota in accordance with the filing requirements and procedures applicable to group Medicare supplement policies issued in Minnesota; provided, however, that no insurer shall be required to make a filing earlier than 30 days after insurance was provided to a resident of Minnesota under a master policy issued for delivery outside Minnesota unless otherwise required by law.

#### **2741.0200 PROHIBITED COMPENSATION FOR REPLACEMENT WITH SAME COMPANY.**

No entity shall provide compensation to its agents or other producers that is greater than the renewal compensation that would have been paid on an existing policy if the existing policy is replaced by another policy with the same company where the new policy benefits are substantially similar to the benefits under the old policy and the old policy was issued by the same insurer or insurer group.

#### **2741.0210 REQUIRED DISCLOSURE PROVISIONS.**

Subpart 1. **General rules.** Medicare supplement policies must contain the following disclosure provisions:

A. Medicare supplement policies must include a renewal, continuation, or nonrenewal provision. The language or specifications of such provision must be consistent with the type of contract to be issued. The provision must be captioned, shall appear on the first page of the policy, and shall clearly state the duration, where limited, or renewability and the duration of the term of coverage for which the policy is issued and for which it may be renewed.

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B. Except for riders or endorsements by which the insurer effectuates a request made in writing by the insured, exercises a specifically reserved right under a Medicare supplement policy, or is required to reduce or eliminate benefits to avoid duplication of Medicare benefits, all riders or endorsements added to a Medicare supplement policy after date of issue or at reinstatement or renewal that reduce or eliminate benefits or coverage in the policy shall require a signed acceptance by the insured. After the date of policy issue, any rider or endorsement that increases benefits or coverage with a concomitant increase in premium during the policy term must be agreed to in writing signed by the insured, unless the benefits are required by the minimum standards for Medicare supplement insurance policies, or if the increased benefits or coverage is required by law. Where a separate additional premium is charged for benefits provided in connection with riders or endorsements, the premium charge shall be set forth in the policy.

C. A Medicare supplement policy that provides for the payment of benefits based on standards described as "usual and customary," "reasonable and customary," or words of similar import shall include a definition of such terms and an explanation of such terms in its accompanying outline of coverage.

D. If a Medicare supplement policy contains any limitations with respect to preexisting conditions, such limitations must appear as a separate paragraph of the policy and be labeled as "Preexisting Condition Limitations."

E. Medicare supplement policies or certificates shall have a notice prominently printed on the first page of the policy or certificate or attached thereto stating in substance that the policyholder or certificate holder shall have the right to return the policy or certificate within 30 days of its delivery and to have the premium refunded if, after examination of the policy or certificate, the insured person is not satisfied for any reason.

F. Insurers issuing accident and sickness policies, certificates or subscriber contracts that provide hospital or medical expense coverage on an expense incurred or indemnity basis, other than incidentally, to a person eligible for Medicare by reason of age shall provide to all applicants a Medicare Supplement Buyer's Guide in the form developed jointly by the National Association of Insurance Commissioners and the Health Care Financing Administration. Delivery of the buyer's guide shall be made whether or not the policies, certificates, or subscriber contracts are advertised, solicited, or issued as Medicare supplement policies. Except in the case of direct response insurers, delivery of the buyer's guide shall be made to the applicant at the time of application and acknowledgment of receipt of the buyer's guide shall be obtained by the insurer. Direct response insurers shall deliver the buyer's guide to the applicant upon request but not later than at the time the policy is delivered.

**Subp. 2. Notice requirements.** Medicare supplement policies must include the following notice requirements:

A. As soon as practicable, but no later than 30 days before the annual effective date of any Medicare benefit changes, every insurer, health care service plan, or other entity providing Medicare supplement insurance or benefits to a resident of Minnesota shall notify its policyholders, contract holders, and certificate holders of modifications it has made to Medicare supplement insurance policies or contracts in a format acceptable to the commissioner. For the years 1989 and 1990, and if prescription drugs are covered in 1991, the notice shall be in a format prescribed by the commissioner or in the format set forth in parts 2741.0240, 2741.0250, and 2741.0260 if no other format is prescribed by the commissioner. In addition, the notice shall:

(1) include a description of revisions to the Medicare program and a description of each modification made to the coverage provided under the Medicare supplement insurance policy or contract; and

(2) inform each covered person as to when any premium adjustment is to be made due to changes in Medicare.

B. The notice of benefit modifications and any premium adjustments shall be in outline form and in clear and simple terms so as to facilitate comprehension.

C. Notices shall not contain or be accompanied by any solicitation.

**Subp. 3. Outline of coverage requirements for Medicare supplement policies.** Insurers issuing Medicare supplement policies or certificates for delivery in Minnesota shall provide an outline of coverage to all applicants at the time application is made and, except for direct response policies, shall obtain an acknowledgment of receipt of the outline from the applicant.

If an outline of coverage is provided at the time of application and the Medicare supplement policy or certificate is issued on a basis that would require revision of the outline, a substitute outline of coverage properly describing the policy or certificate must accompany the policy or certificate when it is delivered and contain the following statement, in no less than 12-point type, immediately above the company name: "NOTICE: Read this outline of coverage carefully. It is not identical to the outline of coverage provided upon application and the coverage originally applied for has not been issued."

The outline of coverage provided to applicants under ..... shall be in the form prescribed below:

[COMPANY NAME]

### OUTLINE OF MEDICARE SUPPLEMENT COVERAGE

I. Read your policy carefully. This outline of coverage provides a very brief description of the important features of your policy.

This is not the insurance contract and only the actual policy provisions will control. The policy itself sets forth in detail the rights and obligations of both you and your insurance company. It is, therefore, important that you **READ YOUR POLICY CAREFULLY!**

2. Medicare Supplement Coverage. Policies of this category are designed to supplement Medicare by covering some hospital, medical, and surgical services that are partially covered by Medicare. Coverage is provided for hospital inpatient charges and some physician charges, subject to any deductibles and copayment provisions that may be in addition to those provided by Medicare, and subject to other limitations that may be set forth in the policy. The policy does not provide benefits for custodial care such as help in walking, getting in and out of bed, eating, dressing, bathing, and taking medicine [delete if such coverage is provided.]

3. A. [for agents]:

Neither [company's name] nor its agents are connected with Medicare.

B. [for direct response]:

[Company's name] is not connected with Medicare.

4. [A brief summary of the major medical benefit gaps in Medicare parts A and B with a parallel description of supplemental benefits, including dollar amounts (and indexed copayments or deductibles, as appropriate), provided by the Medicare supplement coverage in the following order]:

DESCRIPTION	THIS POLICY PAYS	YOU PAY
SERVICE		
<b>PART A</b>		
INPATIENT HOSPITAL SERVICES:		
Semi-Private Room and Board		
Miscellaneous Hospital Services and Supplies, such as		
Drugs, X-rays, Laboratory Tests, and Operating Room		
SKILLED NURSING FACILITY CARE BLOOD		
<b>PARTS A AND B</b>		
Home Health Services		
<b>PART B</b>		
MEDICAL EXPENSE:		
Services of a Physician; Outpatient Services		
Medical Supplies other than Prescribed Drugs		
BLOOD		
MAMMOGRAPHY SCREENING		
OUT-OF-POCKET MAXIMUM		
PRESCRIPTION DRUGS		
<b>MISCELLANEOUS</b>		
Home IV-Drug Therapy		
Immunosuppressive Drugs		
Respite Care Benefits		

IN ADDITION TO THIS OUTLINE OF COVERAGE, [INSURANCE COMPANY NAME] WILL SEND AN ANNUAL NOTICE TO YOU 30 DAYS PRIOR TO THE EFFECTIVE DATE OF MEDICARE CHANGES THAT WILL DESCRIBE THESE CHANGES AND THE CHANGES IN YOUR MEDICARE SUPPLEMENT COVERAGE.

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5. The following charts shall accompany the outline of coverage:

### MEDICARE BENEFITS IN PART A

1988	1989	1990	1991
<b>INPATIENT HOSPITAL SERVICES</b>			
All but \$540 for first 60 days/ benefit period	All but (\$560) deductible for an unlimited number of days/ calendar year	All but Part A deductible for an unlimited number of days/ calendar year	All but Part A deductible for an unlimited number of days/ calendar year
<b>SEMI-PRIVATE ROOM &amp; BOARD</b>			
All but \$135 a day for 61st-90th days/benefit period			
<b>MISCELLANEOUS HOSPITAL SERVICES &amp; SUPPLIES SUCH AS: DRUGS, X-RAYS, LAB TESTS &amp; OPERATING ROOM</b>			
All but \$270 a day for 91st- 150th days (if the individual chooses to use 60 nonre- newable life-time reserve days) Nothing beyond 150 days			
<b>SKILLED NURSING FACILITY CARE</b>			
100% of costs for first 20 days (after a 3-day prior hospital confinement)	80% of Medicare reasonable costs for first 8 days per calendar year without prior hospitalization requirement	80% for first 8 days/calendar year	80% for first 8 days/calendar year
All but \$67.50 a day for first 100 days Nothing beyond 100 days	100% of costs thereafter up to 150 days/calendar year	100% for 9th-150th day/ calendar year	100% for 9th-150th day/ calendar year
<b>BLOOD</b>			
Pays all costs except nonre- placement fees (blood deductible) for first 3 pints in each benefit period	Pays all costs except payment of deductible (equal to costs for first 3 pints) each calendar year. Part A blood deductible reduced to the extent paid under Part B.	All but blood deductible (equal to costs for first 3 pints)	All but blood deductible (equal to costs for first 3 pints)

### MEDICARE BENEFITS IN PARTS A & B

<b>HOME HEALTH SERVICES</b>			
Intermittent skilled nursing care and other services in the home (daily skilled nursing care for up to 21 days or longer in some cases)—100% of covered services and 80% of durable medical equipment under both Parts A and B	Same as 1988	Intermittent skilled nursing care for up to 7 days a week for up to 38 days allowing for contin- uation of services under unusual circumstances; other services—100% of covered services and 80% off durable medical equipment under both Parts A and B	Same as 1990

### MEDICARE BENEFITS IN PART B

#### MEDICAL EXPENSE: SERVICES OF A PHYSICIAN/OUTPATIENT SERVICES

#### MEDICAL SUPPLIES OTHER THAN PRESCRIBED DRUGS

80% of reasonable charges after an annual \$75 deductible	80% after annual \$75 deductible	80% of reasonable charges after \$75 annual deductible until out- of-pocket maximum is reached. 100% of reasonable charges are covered for remainder of calendar year	Same as 1990
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1988	1989	1990	1991
<b>BLOOD</b>			
80% of costs except nonre- placement fees (blood deductible) for first 3 pints in each benefit period after \$75 deductible	Pays 80% of all costs except payment of deductible (equal to costs for first 3 pints) each calendar year	Same as 1989	Same as 1989
<b>MAMMOGRAPHY SCREENING</b>			
		80% of approved charge for elderly and disabled Medicare beneficiaries—exams available every other year for women 65 and over	Same as 1990
<b>OUT-OF-POCKET MAXIMUM</b>			
		\$1,370 consisting of Part B \$75 deductible. Part B blood deductible and 20% coinsurance	\$1,370 will be adjusted annually by Secretary of Health and Human Services
<b>OUTPATIENT PRESCRIPTION DRUGS</b>			
		There is a \$550 total deductible applicable to home IV drug and immuno-suppressive drug therapies as noted below	Covered after \$600 deductible subject to 50% coinsurance.
<b>HOME IV-DRUG THERAPY</b>			
		80% of IV therapy drugs subject to \$550 deductible (deductible waived if home therapy is a continuation of therapy initiated in a hospital)	80% of IV therapy drugs subject to standard drug deductible (deductible waived if home therapy is a contin- uation of therapy drugs initiated in a hospital)
<b>IMMUNOSUPPRESSIVE DRUG THERAPY</b>			
80% of costs during first year following a covered organ transplant (no special drug deductible; only the regular Part B deductible)	Same as 1988	Same as 1988 for first year following covered transplant; 50% of costs during 2nd and following years (subject to \$550 deductible)	Same as 1990 (subject to \$600 deductible)
<b>RESPIRE CARE BENEFIT</b>			
		In-home care for chronically dependent individual covered for up to 80 hours after either the out-of-pocket limit or the outpatient drug deductible has been met	Same as 1990

6. Statement that the policy does or does not cover the following:

- (a) private duty nursing;
- (b) skilled nursing home care costs (beyond what is covered by Medicare);
- (c) custodial nursing home care costs;

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- (d) intermediate nursing home care costs;
  - (e) home health care above number of visits covered by Medicare;
  - (f) physician charges (above Medicare's reasonable charges);
  - (g) drugs (other than prescription drugs furnished during a hospital or skilled nursing facility stay);
  - (h) care received outside the United States; and
  - (i) dental care or dentures, checkups, routine immunizations, cosmetic surgery, routine foot care, examinations for the cost of eyeglasses, or hearing aids.
7. A description of any policy provisions that exclude, eliminate, resist, reduce, limit, delay, or in any other manner operate to qualify payments of the benefits described in number 4, including conspicuous statements;
- (a) that the chart summarizing Medicare benefits only briefly describes such benefits; and
  - (b) that the Health Care Financing Administration or its Medicare publications should be consulted for further details and limitations.
8. A description of policy provisions respecting renewability or continuation of coverage, including any reservation or rights to change premium.
9. The amount of premium for this policy.
10. A statement of the exceptions, reductions, and limitations contained in the policy including the following language, as applicable, in bold print: "THIS POLICY DOES NOT COVER ALL MEDICAL EXPENSES BEYOND THOSE COVERED BY MEDICARE. THIS POLICY DOES NOT COVER ALL SKILLED NURSING HOME CARE EXPENSES AND DOES NOT COVER CUSTODIAL OR RESIDENTIAL NURSING CARE. READ YOUR POLICY CAREFULLY TO DETERMINE WHICH NURSING HOME FACILITIES AND EXPENSES ARE COVERED BY YOUR POLICY."
11. A statement of the policy's loss ratio as follows: "This policy provides an anticipated loss ratio of . . . percent. This means that, on the average, policyholders may expect that \$. . . . . of every \$100 in premium will be returned as benefits to policyholders over the life of the contract."

### D. Notice regarding policies or subscriber contracts that are not Medicare supplement policies.

An accident and sickness insurance policy or subscriber contract, other than a Medicare supplement policy; disability income policy; basic, catastrophic, or major medical expense policy; single premium nonrenewable policy, or other policy issued for delivery in Minnesota to persons eligible for Medicare by reason of age shall notify insureds under the policy or subscriber contract that the policy or subscriber contract is not a Medicare supplement policy. The notice must either be printed or attached to the first page of the outline of coverage delivered to insureds under the policy or subscriber contract, or if no outline of coverage is delivered, to the first page of the policy, certificate, or subscriber contract delivered to insureds. The notice must be in no less than 12-point type and must contain the following language:

"THIS [POLICY, CERTIFICATE, OR SUBSCRIBER CONTRACT] IS NOT A MEDICARE SUPPLEMENT [POLICY OR CONTRACT]. If you are eligible for Medicare, review the Medicare Supplement Buyer's Guide available from the company."

### 2741.0220 REQUIREMENTS FOR REPLACEMENT.

**Subpart 1. Application forms.** Application forms must include a question designed to elicit information as to whether a Medicare supplement policy or certificate is intended to replace any other accident and sickness policy or certificate presently in force. A supplementary application or other form to be signed by the applicant containing such a question may be used.

**Subp. 2. Replacement coverage notice.** Upon determining that a sale will involve replacement, an insurer, other than a direct response insurer, or its agent, shall furnish the applicant, before issuance or delivery of the Medicare supplement policy or certificate, a notice regarding replacement of accident and sickness coverage. One copy of the notice shall be provided to the applicant and an additional copy signed by the applicant shall be retained by the insurer. A direct response insurer shall deliver to the applicant at the time of the issuance of the policy the notice regarding replacement of accident and sickness coverage. In no event, however, will such a notice be required in the solicitation of "accident only" and "single premium nonrenewable" policies.

**Subp 3. Form of notice.** The notice required by subpart 2 for an insurer, other than a direct response insurer, must be provided in substantially the following form:

#### NOTICE TO APPLICANT REGARDING REPLACEMENT OF ACCIDENT AND SICKNESS INSURANCE

According to [your application] [information you have furnished], you intend to lapse or otherwise terminate existing accident and sickness insurance and replace it with a policy to be issued by [Company Name] Insurance Company. Your new policy provides 30 days within which you may decide without cost whether you desire to keep the policy. For your own information and protection, you

## Proposed Rules

should be aware of and seriously consider certain factors that may affect the insurance protection available to you under the new policy.

(1) Health conditions that you may presently have (preexisting conditions) may not be immediately or fully covered under the new policy. This could result in denial or delay of a claim for benefits under the new policy, whereas a similar claim might have been payable under your present policy. This subitem may be modified if preexisting conditions are covered under the new policy.

(2) You may wish to secure the advice of your present insurer or its agent regarding the proposed replacement of your present policy. This is not only your right, but it is also in your best interest to make sure you understand all the relevant factors involved in replacing your present coverage.

(3) If, after due consideration, you still wish to terminate your present policy and replace it with new coverage, be certain to truthfully and completely answer all questions on the application concerning your medical/health history. Failure to include all material medical information on an application may provide a basis for the company to deny any future claims and to refund your premium as though your policy had never been in force. After the application has been completed and before you sign it, reread it carefully to be certain that all information has been properly recorded.

The above "Notice to Applicant" was delivered to me:

.....  
(Date)

.....  
(Applicant's Signature)

Subp. 4. **Direct response notice.** The notice required by subpart 2 for a direct response shall be as follows:

### NOTICE TO APPLICANT REGARDING REPLACEMENT OF ACCIDENT AND SICKNESS INSURANCE

According to [your application] [information you have furnished], you intend to lapse or otherwise terminate existing accident and sickness insurance and replace it with the policy delivered herewith issued by [Company Name] Insurance Company. Your new policy provides 30 days within which you may decide without cost whether you desire to keep the policy. For your own information and protection, you should be aware of and seriously consider certain factors that may affect the insurance protection available to you under the new policy.

(1) Health conditions that you may presently have (preexisting conditions) may not be immediately or fully covered under the new policy. This could result in denial or delay of a claim for benefits under the new policy, whereas a similar claim might have been payable under your present policy.

(2) You may wish to secure the advice of your present insurer or its agent regarding the proposed replacement of your present policy. This is not only your right, but it is also in your best interest to make sure you understand all the relevant factors involved in replacing your present coverage.

(3) [To be included only if the application is attached to the policy.] If, after due consideration, you still wish to terminate your present policy and replace it with new coverage, read the copy of the application attached to your new policy and be sure that all questions are answered fully and correctly. Omissions or misstatements in the application could cause an otherwise valid claim to be denied. Carefully check the application and write to [Company Name and Address] within ten days if any information is not correct and complete, or if any past medical history has been left out of the application.

.....  
(Company Name)

### 2741.0230 FILING REQUIREMENTS FOR ADVERTISING.

An insurer, health care service plan, or other entity providing Medicare supplement insurance or benefits in Minnesota shall provide a copy of any Medicare supplement advertisement intended for use in Minnesota whether through written, radio, or television medium to the commissioner of the Department of Commerce for review or approval by the commissioner to the extent it may be required under Minnesota law.

### 2741.0240 NOTICE OF 1989 CHANGES.

[COMPANY NAME]

**KEY: PROPOSED RULES SECTION** — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

## Proposed Rules

### NOTICE OF CHANGES IN MEDICARE AND YOUR MEDICARE SUPPLEMENT INSURANCE—1989

YOUR HEALTH CARE BENEFITS PROVIDED BY THE FEDERAL MEDICARE PROGRAM WILL CHANGE BEGINNING JANUARY 1, 1989. ADDITIONAL CHANGES WILL OCCUR IN MEDICAL BENEFITS IN FOLLOWING YEARS. THE MAJOR CHANGES ARE SUMMARIZED BELOW. THESE CHANGES WILL AFFECT HOSPITAL, MEDICAL, AND OTHER SERVICES AND SUPPLIES PROVIDED UNDER MEDICARE. BECAUSE OF THESE CHANGES, YOUR MEDICARE SUPPLEMENT COVERAGE PROVIDED BY [COMPANY NAME] WILL CHANGE, ALSO. THE FOLLOWING OUTLINE BRIEFLY DESCRIBES THE MODIFICATIONS IN MEDICARE AND IN YOUR MEDICARE SUPPLEMENT COVERAGE. PLEASE READ THIS CAREFULLY!

[A BRIEF DESCRIPTION OF THE REVISIONS TO MEDICARE PARTS A & B WITH A PARALLEL DESCRIPTION OF SUPPLEMENTAL BENEFITS WITH SUBSEQUENT CHANGES, INCLUDING DOLLAR AMOUNTS, PROVIDED BY THE MEDICARE SUPPLEMENT COVERAGE IN SUBSTANTIALLY THE FOLLOWING FORMAT.]

SERVICES	MEDICARE BENEFITS	YOUR MEDICARE SUPPLEMENT COVERAGE	
Medicare Now Pays Per Benefit Period	Effective 1/1/89 Medicare Will Pay Per Calendar Year	Your 1988 Coverage Per Benefit Period	Effective 1/1/89 Your Coverage Will Pay Per Calendar Year

#### MEDICARE PART A - SERVICES AND SUPPLIES

First 60 days—All but \$540	Unlimited number of hospital days after \$560 deductible
-----------------------------	--

61st to 90th day—All but \$135 a day
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91st to 150th day—All but \$270 a day (if individual chooses to use 60 nonrenewable life-time reserve days)
---

Beyond 150th day—Nothing
--------------------------

#### SKILLED NURSING FACILITY CARE

Requires a 3-day prior stay and enter the facility generally within 30 days after hospital discharge	There is no prior confinement requirements for this benefit
--	---

First 20 days—100% of costs	First 8 days—All but \$25.50 a day
-----------------------------	------------------------------------

21st through 100th day—All but \$67.50 a day	9th through 105th day—100% of costs
--	-------------------------------------

Beyond 100 days—Nothing	Beyond 150 days—Nothing
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Medicare Now Pays Per Calendar Year	In 1989 Medicare Part B Pays the Same as in 1988	Your Policy Now Pays	Effective 1/1/89 Your Policy Will Pay
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#### MEDICARE PART B - SERVICES AND SUPPLIES

80% of allowable charges (after \$75 deductible)	NOTE: Medicare benefits change on January 1, 1990 as follows: 80% of allowable charges (after \$75 deductible) until an annual Medicare Catastrophic Limit is met. 100% of allowable charges for the remainder of the calendar year. The limit in 1990 is \$1,370* and will be adjusted on an annual basis
--	--

#### PRESCRIPTION DRUGS

Inpatient prescription drugs only	In 1989 Medicare covers inpatient prescription drugs
-----------------------------------	--



only

Effective January 1, 1990 Per  
Calendar Year 80% of allowable  
charges for home intravenous  
(IV) therapy drugs and 50% of  
allowable charges for immuno-  
suppressive drugs after (\$550  
in 1990) calendar year  
deductible is met

Effective January 1, 1991 Per  
Calendar Year inpatient  
prescription drugs: 50% of  
allowable charges for all other  
outpatient prescription drugs  
after a \$600 calendar year  
deductible is met (the  
deductible will change).  
Coverage will increase to 60%  
of allowable charges in 1992  
and to 80% of allowable  
charges from 1993 on.

\*Expenses that count toward the Part B Medicare Catastrophic Limit include: the Part B deductible and copayment charges and the Part B blood deductible charges.

[ANY ADDITIONAL BENEFITS]

[Describe any coverage provisions changing due to Medicare modifications.]

[Include information about premium adjustments that may be necessary due to changes in Medicare benefits, or when premium changes, information will be sent.]

THIS CHART SUMMARIZING THE CHANGES IN YOUR MEDICARE BENEFITS AND IN YOUR MEDICARE SUPPLEMENT PROVIDED BY [COMPANY] ONLY BRIEFLY DESCRIBES SUCH BENEFITS. FOR INFORMATION ON YOUR MEDICARE BENEFITS CONTACT YOUR SOCIAL SECURITY OFFICE OR THE HEALTH CARE FINANCING ADMINISTRATION. FOR INFORMATION ON YOUR MEDICARE SUPPLEMENT [Policy] CONTACT: [COMPANY OR FOR AN INDIVIDUAL POLICY - NAME OF AGENT][ADDRESS/PHONE NUMBER]

**2741.0250 NOTICE OF 1990 CHANGES.**

[COMPANY NAME]

**NOTICE OF CHANGES IN MEDICARE AND YOUR  
MEDICARE SUPPLEMENT COVERAGE—1990**

YOUR HEALTH CARE BENEFITS PROVIDED BY THE FEDERAL MEDICARE PROGRAM WILL CHANGE BEGINNING January 1, 1990. ADDITIONAL CHANGES WILL OCCUR IN MEDICAL BENEFITS IN FOLLOWING YEARS. THE MAJOR CHANGES ARE SUMMARIZED BELOW. THESE CHANGES WILL AFFECT HOSPITAL, MEDICAL, AND OTHER SERVICES AND SUPPLIES PROVIDED UNDER MEDICARE. BECAUSE OF THESE CHANGES, YOUR MEDICARE SUPPLEMENT COVERAGE PROVIDED BY [COMPANY NAME] WILL CHANGE ALSO. THE FOLLOWING OUTLINE BRIEFLY DESCRIBES THE MODIFICATIONS IN MEDICARE AND IN YOUR MEDICARE SUPPLEMENT COVERAGE. PLEASE READ THIS CAREFULLY!

[A BRIEF DESCRIPTION OF THE REVISIONS TO MEDICARE PARTS A & B WITH A PARALLEL DESCRIPTION OF SUPPLEMENTAL BENEFITS WITH SUBSEQUENT CHANGES, INCLUDING DOLLAR AMOUNTS, PROVIDED BY THE MEDICARE SUPPLEMENT COVERAGE IN SUBSTANTIALLY THE FOLLOWING FORMAT.]

<p><b>KEY: PROPOSED RULES SECTION —</b> <u>Underlining</u> indicates additions to existing rule language. <del>Strike outs</del> indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." <b>ADOPTED RULES SECTION —</b> <u>Underlining</u> indicates additions to proposed rule language. <del>Strike outs</del> indicate deletions from proposed rule language.</p>
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## Proposed Rules

### SERVICES

Medicare Now Pays Per  
Calendar Year

### MEDICARE BENEFITS

Effective 1/1/90 Medicare Will  
Pay Per Calendar Year

### YOUR MEDICARE SUPPLEMENT COVERAGE

Your Coverage Now Pays Per  
Calendar Year

Effective 1/1/90 Your Coverage  
Will Pay Per Calendar Year

### MEDICARE PART A—SERVICES AND SUPPLIES

Unlimited number of hospital  
days after \$560 deductible

### SKILLED NURSING FACILITY CARE

There is no prior confinement  
requirement for this benefit

First 8 days—All but \$25.50 a  
day

9th through 150th day—100%  
of costs

Beyond 150 days—Nothing

### MEDICARE PART B—SERVICES AND SUPPLIES

80% of allowable charges (after  
\$75 deductible)

80% of allowable charges (after  
\$75 deductible) until an annual  
Medicare Catastrophic Limit\*  
is met. 100% of allowable  
charges for the remainder of the  
calendar year. The limit in 1990  
is \$1,370 and will be adjusted  
on an annual basis

### PRESCRIPTION DRUGS

Inpatient prescription drugs,  
80% of allowable charges for  
immunosuppressive therapy  
drugs during the first year  
following covered transplant

Inpatient prescription drugs,  
80% of allowable charges for  
home intravenous (IVM)  
therapy drugs and 50% of  
allowable charges for immuno-  
suppressive drugs after (\$550  
in 1990) calendar year  
deductible is met

\*Expenses that you must pay out-of-pocket and that count toward the Part B Medicare Catastrophic Limit include: the Part B deductible and copayment charges and the Part B blood deductible charges.

### [ANY ADDITIONAL BENEFITS]

[Describe any coverage provisions changing due to medicare modifications.]

[Include information about premium adjustments that may be necessary due to changes in Medicare benefits, or when premium changes, information will be sent.]

THIS CHART SUMMARIZING THE CHANGES IN YOUR MEDICARE BENEFITS AND IN YOUR MEDICARE SUPPLEMENT PROVIDED BY [COMPANY] ONLY BRIEFLY DESCRIBES SUCH BENEFITS. FOR INFORMATION ON YOUR MEDICARE BENEFITS, CONTACT YOUR SOCIAL SECURITY OFFICE OR THE HEALTH CARE FINANCING ADMINISTRATION. FOR INFORMATION ON YOUR MEDICARE SUPPLEMENT [Policy] CONTACT: [COMPANY OR FOR AN INDIVIDUAL POLICY - NAME OF AGENT][ADDRESS/PHONE NUMBER]

### 2741.0260 NOTICE OF 1991 CHANGES.

[COMPANY NAME]

### NOTICE OF CHANGES IN MEDICARE AND YOUR MEDICARE SUPPLEMENT COVERAGE—1991

YOUR HEALTH CARE BENEFITS PROVIDED BY THE FEDERAL MEDICARE PROGRAM WILL CHANGE BEGINNING

## Proposed Rules

January 1, 1991. ADDITIONAL CHANGES WILL OCCUR IN MEDICAL BENEFITS IN FOLLOWING YEARS. THE MAJOR CHANGES ARE SUMMARIZED BELOW. THESE CHANGES WILL AFFECT HOSPITAL, MEDICAL, AND OTHER SERVICES AND SUPPLIES PROVIDED UNDER MEDICARE. BECAUSE OF THESE CHANGES, YOUR MEDICARE SUPPLEMENT COVERAGE PROVIDED BY [COMPANY NAME] WILL CHANGE ALSO. THE FOLLOWING OUTLINE BRIEFLY DESCRIBES THE MODIFICATIONS IN MEDICARE AND IN YOUR MEDICARE SUPPLEMENT COVERAGE. PLEASE READ THIS CAREFULLY!

[A BRIEF DESCRIPTION OF THE REVISIONS TO MEDICARE PARTS A & B WITH A PARALLEL DESCRIPTION OF SUPPLEMENTAL BENEFITS WITH SUBSEQUENT CHANGES, INCLUDING DOLLAR AMOUNTS, PROVIDED BY THE MEDICARE SUPPLEMENT COVERAGE IN SUBSTANTIALLY THE FOLLOWING FORMAT.]

Medicare Now Pays Per Calendar Year	Effective 1/1/90 Medicare Will Pay Per Calendar Year	Your Coverage Now Pays Per Calendar Year	Effective Your Coverage Will Pay Per Calendar Year
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### MEDICARE PART A - SERVICES AND SUPPLIES

Unlimited number of hospital  
days after \$( ) deductible

### SKILLED NURSING FACILITY CARE

There is no prior confinement  
requirement for this benefit

First 8 days—All but \$( ) a day

9th through 150th day—100%  
of costs

Beyond 150 days—Nothing

Medicare Now Pays Per Calendar Year	Effective 1/1/91 Medicare Will Pay Per Calendar Year	Your Coverage Now Pays Per Calendar Year	Effective 1/1/91 Your Coverage Will Pay Per Calendar Year
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### MEDICARE PART B—SERVICES AND SUPPLIES

80% of allowable charges (after  
\$75 deductible) until an annual  
Medicare Catastrophic Limit\*  
is met. 100% of allowable  
charges for the remainder of the  
calendar year. The limit in 1990  
is \$1,370 and will be adjusted  
on an annual basis

80% of allowable charges (after  
\$75 deductible) until an annual  
Medicare Catastrophic Limit\*  
is met. 100% of allowable  
charges for the remainder of the  
calendar year. The limit in 1991  
is \$( ) and will be adjusted on  
an annual basis

### PRESCRIPTION DRUGS

Inpatient prescription drugs.  
80% of allowable charges for  
home IV therapy drugs and  
50% of allowable charges for  
immunosuppressive drugs after  
a \$550 calendar year deductible  
is met.

Same as 1990 and 50% of  
allowable charges for all other  
outpatient prescription drugs  
after \$600 calendar year  
deductible is met

\*Expenses that you must pay out-of-pocket and that count toward Part B Medicare Catastrophic Limit include: the Part B deductible and copayment charges and the Part B blood deductible charges.

[ANY ADDITIONAL BENEFITS]

[Describe any coverage provisions changing due to Medicare modifications.]

**KEY: PROPOSED RULES SECTION** — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

## Proposed Rules

[Include information about premium adjustments that may be necessary due to changes in Medicare benefits, or when premium changes, information will be sent.]

THIS CHART SUMMARIZING THE CHANGES IN YOUR MEDICARE BENEFITS AND IN YOUR MEDICARE SUPPLEMENT PROVIDED BY [COMPANY] ONLY BRIEFLY DESCRIBES SUCH BENEFITS. FOR INFORMATION ON YOUR MEDICARE BENEFITS CONTACT YOUR SOCIAL SECURITY OFFICE OR THE HEALTH CARE FINANCING ADMINISTRATION. FOR INFORMATION ON YOUR MEDICARE SUPPLEMENT [Policy] CONTACT: [COMPANY OR FOR AN INDIVIDUAL POLICY - NAME OF AGENT][ADDRESS/PHONE NUMBER]

## Adopted Rules

The adoption of a rule becomes effective after the requirements of Minn. Stat. § 14.14-14.28 have been met and five working days after the rule is published in *State Register*, unless a later date is required by statutes or specified in the rule.

If an adopted rule is identical to its proposed form as previously published, a notice of adoption and a citation to its previous *State Register* publication will be printed.

If an adopted rule differs from its proposed form, language which has been deleted will be printed with strikeouts and new language will be underlined. The rule's previous *State Register* publication will be cited.

An emergency rule becomes effective five working days after the approval of the Attorney General as specified in Minn. Stat. § 14.33 and upon the approval of the Revisor of Statutes as specified in § 14.36. Notice of approval by the Attorney General will be published as soon as practicable, and the adopted emergency rule will be published in the manner provided for adopted rules under § 14.18.

## Department of Commerce

### Adopted Permanent Rules Relating to Uniform Conveyancing Blanks

The rules proposed and published at *State Register*, Volume 13, Number 41, pages 2416-2439, April 10, 1989 (13 S.R. 2416) are adopted as proposed.

## Department of Labor and Industry

### Adopted Permanent Rules Relating to OSHA Update

The rule proposed and published at *State Register*, Volume 13, Number 44, pages 2671-2673, dated May 1, 1989 (13 S.R.2671) is adopted as proposed.

#### Rules as Adopted

#### 5205.0010 ADOPTION OF FEDERAL OCCUPATIONAL SAFETY AND HEALTH STANDARDS BY REFERENCE.

Subpart 1. [Unchanged.]

Subp. 2. **Part 1910.** Part 1910: Occupational Safety and Health Standards as published in Volume 43, No. 206 of the *Federal Register* on October 24, 1978 and corrected in Volume 43, No. 216 on November 7, 1978 which incorporates changes, additions, deletions, and corrections made up to November 7, 1978; and subsequent changes made prior to April 1, 1989:

A. to K. [Unchanged.]

L. *Federal Register*, Volume 54:

(1) *Federal Register*, Vol. 54, No. 12, dated January 19, 1989; "Air Contaminants (1910.1000) - Final Rule."

(2) *Federal Register*, Vol. 54, No. 42, dated March 6, 1989; "Hazardous Waste Operations and Emergency Response (1910.120) - Final Rule."

Subp. 3. to 7. [Unchanged.]

## **Board of Unlicensed Mental Health Service Providers**

### **Adopted Permanent Amendments to Emergency Rules Relating to Unlicensed Mental Health Service Providers**

The rules proposed and published at *State Register*, Volume 13, Number 43, pages 2630-2634, April 24, 1989 (13 S.R. 2630) are adopted as proposed.

## **Emergency Rules**

### **Proposed Emergency Rules**

According to Minn. Stat. of 1984, §§ 14.29-14.30, state agencies may propose adoption of emergency rules if: 1) expressly required; 2) authorized by statute; or 3) if the manner permitted by a directive (given by statute, federal law or court order) does not allow for compliance with sections 14.14-14.28. The agency must, however, publish a notice of intent to adopt emergency rules, along with the rules themselves, in the *State Register*. The notice must advise the public:

- 1) that a free copy of the proposed emergency rule is available upon request from the agency;
- 2) that notice of the date that the rule is submitted to the attorney general will be mailed to persons requesting notification;
- 3) that the public has at least 25 days after publication of the proposed emergency rule to submit data and views in writing; and
- 4) that the emergency rule may be modified if the data and views submitted support such modification.

### **Adopted Emergency Rules**

Emergency rules take effect five working days after approval by the attorney general, and after compliance with Minn. Stat. §§ 14.29-14.365. As soon as possible, emergency rules are published in the *State Register* in the manner provided for in section 14.18.

Emergency rules are effective for the period stated in the notice of intent to adopt emergency rules. This may not exceed 180 days.

### **Continued/Extended Emergency Rules**

Adopted emergency rules may be continued in effect (extended) for an additional 180 days. To do this, the agency must give notice by: 1) publishing notice in the *State Register*; and 2) mailing the same notice to all persons who requested notification on rulemaking. No emergency rule may remain in effect 361 days after its original effective date. At that point, permanent rules adopted according to Minn. Stat. 14.14-14.28 supercede emergency rules.

## **Department of Commerce**

### **Proposed Emergency Rules Relating to Medicare Supplement**

#### **Notice of Intent to Adopt an Emergency Rule**

NOTICE IS HEREBY GIVEN that the Department of Commerce intends to adopt the above entitled emergency rule. The statutory authority to adopt the emergency rule is contained in *Minnesota Statutes*, section 14.29. The agency, in adopting the rule, is following the procedures set forth in the Administrative Procedure Act for adopting emergency rules in *Minnesota Statutes*, sections 14.29 to 14.36.

All persons have 25 days after publication to submit data and views on the proposed emergency rule or any part or subpart of the rule in writing. Any comments must be submitted to:

John Gross  
Minnesota Department of Commerce  
500 Metro Square Building  
St. Paul, Minnesota 55101  
(612) 296-6929

A copy of the proposed rule is attached to this notice.

**KEY: PROPOSED RULES SECTION** — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

## Emergency Rules

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A free copy of the proposed emergency rule is available by contacting:

Richard G. Gomsrud  
Department Counsel  
Minnesota Department of Commerce  
500 Metro Square Building  
St. Paul, Minnesota 55101  
(612) 296-5689

The proposed emergency rule may be modified if the modifications are supported by data and views submitted to the agency and do not result in a substantial change in the proposed emergency rule as noticed.

Upon adoption of the emergency rule by the agency, the emergency rule as adopted and its supporting documents will be delivered to the Attorney General for review as to legality and form to the extent form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to:

Richard G. Gomsrud  
Department Counsel  
Minnesota Department of Commerce  
500 Metro Square Building  
St. Paul, Minnesota 55101  
(612) 296-5689

The emergency rule will take effect five working days after approval by the Attorney General and be effective for 180 days. The emergency rule will be continued in effect for an additional 180 days if the agency gives notice of continuation in accordance with *Minnesota Statutes*, section 14.35.

Dated: 18 July 1989

Michael A. Hatch  
Commissioner of Commerce

### Emergency Rules as Proposed (all new material)

#### TRANSITIONAL REQUIREMENTS FOR THE CONVERSION OF BENEFITS AND PREMIUMS TO CONFORM TO MEDICARE PROGRAM REVISIONS

##### 2741.0010 [Emergency] PURPOSE.

The purpose of parts 2741.0010 to 2741.0080 [Emergency] is to:

- A. assure the orderly implementation and conversion of Medicare supplement insurance benefits and premiums due to changes in the federal Medicare program;
- B. provide for the reasonable standardization of the coverage, terms, and benefits of Medicare supplement policies or contracts;
- C. facilitate public understanding of the policies or contracts;
- D. eliminate provisions contained in the policies or contracts that may be misleading or confusing in connection with the purchase of the policies or contracts;
- E. eliminate policy or contract provisions that may duplicate Medicare benefits;
- F. provide full disclosure of policy or contract benefits and benefit changes; and
- G. provide for refunds of premiums associated with benefits duplicating Medicare program benefits.

##### 2741.0020 [Emergency] AUTHORITY.

Parts 2741.0010 to 2741.0080 [Emergency] are adopted under *Minnesota Statutes*, section 62A.42, providing authority for regulation of Medicare supplement insurance policies.

##### 2741.0030 [Emergency] APPLICABILITY AND SCOPE.

Parts 2741.0010 to 2741.0080 [Emergency] supersede other rules and requirements relating to Medicare supplement policies or contracts only to the extent necessary to assure that benefits are not duplicated, that applicants receive adequate notice and disclosure of changes in Medicare supplement policies and contracts, that appropriate premium adjustments are made in a timely manner, and that premiums are reasonable in relation to benefits.

Except as otherwise provided, parts 2741.0010 to 2741.0080 [Emergency] apply to:

- A. Medicare supplement policies and contracts delivered, or issued for delivery, or that are otherwise subject to the jurisdiction of Minnesota on or after the effective date of parts 2741.0010 to 2741.0080 [Emergency]; and
- B. certificates issued under group Medicare supplement policies as provided in item A.

### 2741.0040 [Emergency] DEFINITIONS.

Subpart 1. **Scope.** For purposes of parts 2741.0010 to 2741.0080 [Emergency], the words defined in this part have the meaning given them.

Subp. 2. **Applicant.** "Applicant" means:

- A. in the case of an individual Medicare supplement policy or contract, the person who seeks to contract for insurance benefits; and
- B. in the case of a group Medicare supplement policy or contract, the proposed certificate holder.

Subp. 3. **Certificate.** "Certificate" means a certificate issued under a group Medicare supplement policy.

Subp. 4. **Medicare supplement policy.** "Medicare supplement policy" means a group or individual policy of accident and sickness insurance or any other contract that is advertised, marketed, or designed primarily to provide health care benefits as a supplement to reimbursements under Medicare for the hospital, medical, or surgical expenses of persons eligible for Medicare by reason of age.

### 2741.0050 [Emergency] BENEFIT CONVERSION REQUIREMENTS.

Subpart 1. **Application.** Effective January 1, 1989, no Medicare supplement insurance policy, contract, or certificate in force in Minnesota shall contain benefits that duplicate benefits provided by Medicare.

Subp. 2. **General requirements.**

A. No later than 30 days before the annual effective date of Medicare benefit changes mandated by the Medicare Catastrophic Coverage Act of 1988, every insurer, health care service plan, or other entity providing Medicare supplement insurance or benefits to a resident of Minnesota shall notify its policyholders, contract holders, and certificate holders of modifications it has made to Medicare supplement insurance policies or contracts. The notice must be in a form prescribed by the commissioner or in the form adopted by the National Association of Insurance Commissioners in June 1988 if no other form is prescribed by the commissioner.

(1) The notice shall include a description of revisions to the Medicare program and a description of each modification made to the coverage provided under the Medicare supplement insurance policy or contract.

(2) The notice shall inform each covered person as to when any premium adjustment due to changes in Medicare benefits will be made.

(3) The notice of benefit modifications and premium adjustments must be in outline form and in clear and simple terms so as to facilitate comprehension. The notice must not contain or be accompanied by a solicitation.

B. No modifications to an existing Medicare supplement contract or policy must be made at the time of or in connection with the notice requirements of parts 2741.0010 to 2741.0080 [Emergency] except to the extent necessary to eliminate duplication of Medicare benefits and any modifications necessary under the policy or contract to provide indexed benefit adjustment.

C. As soon as practicable, but no longer than 45 days after the effective date of the Medicare benefit changes, every insurer, health care service plan, or other entity providing Medicare supplement insurance or contracts in Minnesota shall file with the department, in accordance with the applicable filing procedures of Minnesota:

(1) Appropriate premium adjustment necessary to produce loss ratios as originally anticipated for the applicable policies or contracts. The supporting documents as necessary to justify the adjustment must accompany the filing.

(2) Appropriate riders, endorsements, or policy forms needed to accomplish the Medicare supplement insurance modifications necessary to eliminate benefit duplications with Medicare. Riders, endorsements, or policy forms must provide a clear description of the Medicare supplement benefits provided by the policy or contract.

D. Upon satisfying the filing and approval requirements of Minnesota, every insurer, health care service plan, or other entity providing Medicare supplement insurance in Minnesota shall provide each covered person with a rider, endorsement, or policy form necessary to eliminate benefit duplications under the policy or contract with benefits provided by Medicare.

E. No insurer, health care service plan, or other entity shall require a person covered under a Medicare supplement policy or contract that was in force before January 1, 1989, to purchase additional coverage under the policy or contract unless additional coverage was provided for in the policy or contract.

F. Every insurer, health care service plan, or benefit, or other entity providing Medicare supplement insurance or benefits to

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a resident of Minnesota shall make premium adjustments as are necessary to produce an expected loss ratio under the policy or contract as will conform with minimum loss ratio standards for Medicare supplement policies and that is expected to result in a loss ratio at least as great as that originally anticipated by the insurer, health care service plan, or other entity for the Medicare supplement insurance policies or contracts. No premium adjustment that would modify the loss ratio experience under the policy other than the adjustments described in this part should be made with respect to a policy at any time other than upon its renewal date. Premium adjustments must be in the form of refunds or premium credits and must be made no later than upon renewal if a credit is given, or within 60 days of the renewal date if a refund is provided to the premium payer.

### **2741.0060 [Emergency] REQUIREMENTS FOR NEW POLICIES AND CERTIFICATES.**

Subpart 1. **Application.** Effective January 1, 1989, no Medicare supplement insurance policy, contract, or certificate shall be issued or issued for delivery in Minnesota that provides benefits that duplicate benefits provided by Medicare. No Minnesota policy, contract, or certificate shall provide fewer benefits than those required under the existing Medicare Supplement Minimum Standards Act or regulations except where duplication of Medicare benefits would result.

#### **Subp. 2. General requirements.**

A. Within 90 days of the effective date of parts 2741.0010 to 2741.0080 [Emergency], every insurer, health care service plan, or other entity required to file its policies or contracts with Minnesota shall file new Medicare supplement insurance policies or contracts that eliminate the duplication of Medicare supplement benefits with benefits provided by Medicare and that provides a clear description of the policy or contract benefit.

B. The filing required under item A must provide for loss ratios that comply with all minimum standards.

C. Every applicant for a Medicare supplement insurance policy, contract, or certificate shall be provided with an outline of coverage that simplifies and accurately describes benefits provided by Medicare and policy or contract benefits along with benefit limitations.

### **2741.0070 [Emergency] FILING REQUIREMENTS FOR ADVERTISING.**

Every insurer, health care service plan, or other entity providing Medicare supplement insurance or benefits in Minnesota shall provide a copy of any advertisement intended for use in Minnesota whether through written, radio, or television medium to the commissioner of commerce for review by the commissioner. The advertisement must comply with all applicable laws of Minnesota.

### **2741.0080 [Emergency] BUYER'S GUIDE.**

No insurer, health care service plan, or other entity shall make use of or otherwise disseminate a buyer's guide or informational brochure that does not accurately outline current Medicare benefits and that has not been adopted by the commissioner.

## **MEDICARE SUPPLEMENT INSURANCE MINIMUM STANDARDS**

### **2741.0100 [Emergency] APPLICABILITY AND SCOPE.**

Except as otherwise specifically provided, parts 2741.0100 to 2741.0230 [Emergency] apply to:

A. Medicare supplement policies and subscriber contracts delivered or issued for delivery in Minnesota on or after the effective date of those parts; and

B. certificates issued under group Medicare supplement policies or subscriber contracts that have been delivered or issued for delivery in Minnesota.

Parts 2741.0100 to 2741.0230 [Emergency] do not apply to a policy or contract of one or more employers or labor organizations, or of the trustees of a fund established by one or more employers or labor organizations, or combination thereof, for employees or former employees, or a combination thereof, or for members or former members, or a combination thereof, of the labor organizations.

### **2741.0110 [Emergency] DEFINITIONS.**

Subpart 1. **Scope.** For purposes of parts 2741.0100 to 2741.0230 [Emergency], the terms defined in this part have the meanings given them.

#### **Subp. 2. Applicant.** "Applicant" means:

A. in the case of an individual Medicare supplement policy or subscriber contract, the person who seeks to contract for insurance benefits; and

B. in the case of a group Medicare supplement policy or subscriber contract, the proposed certificate holder.

Subp. 3. **Certificate.** "Certificate" means a certificate issued under a group Medicare supplement policy that has been delivered or issued for delivery in Minnesota.



Subp. 4. **Medicare supplement policy.** "Medicare supplement policy" means a group or individual policy of accident and sickness insurance or a subscriber contract of hospital and medical service associations or health maintenance organizations that is advertised, marketed, or designed primarily as a supplement to reimbursements under Medicare for the hospital, medical, or surgical expenses of persons eligible for Medicare by reason of age.

**2741.0120 [Emergency] POLICY DEFINITIONS AND TERMS.**

Subpart 1. **Requirements.** No insurance policy or subscriber contract may be advertised, solicited, or issued for delivery in Minnesota as a Medicare supplement policy unless the policy or subscriber contract contains definitions or terms that conform to the requirements of this part.

Subp. 2. **Accident, accidental injury, or accidental means.** "Accident," "accidental injury," or "accidental means" must be defined to employ "result" language and must not include words that establish an accidental means test or use words such as "external," "violent," "visible wounds," or similar words of description or characterization.

A. The definition must not be more restrictive than the following: "Injury or injuries for which benefits are provided" means accidental bodily injury sustained by the insured person that is the direct result of an accident, independent of disease or bodily infirmity or any other cause, and occurs while insurance coverage is in force.

B. The definition may provide that injuries must not include injuries for which benefits are provided or available under any workers' compensation, employer's liability or similar law, or motor vehicle no-fault plan, unless prohibited by law.

Subp. 3. **Benefit period or Medicare benefit period.** "Benefit period" or "Medicare benefit period" must not be defined as more restrictive than as that defined in the Medicare program.

Subp. 4. **Convalescent nursing home, extended care facility, or skilled nursing facility.** "Convalescent nursing home," "extended care facility," or "skilled nursing facility" must be defined in relation to its status, facilities, and available services.

A. A definition of the home or facility must not be more restrictive than one requiring that it:

- (1) be operated pursuant to law;
- (2) be approved for payment of Medicare benefits or be qualified to receive approval, if so requested;
- (3) be primarily engaged in providing, in addition to room and board accommodations, skilled nursing care under the supervision of a duly licensed physician;
- (4) provide continuous 24-hour nursing service by or under the supervision of a registered graduate professional nurse (R.N.); and
- (5) maintains a daily medical record of each patient.

B. The definition of the home or facility may provide that the term not include:

- (1) a home, facility, or part of the home or facility used primarily for rest;
- (2) a home or facility for the aged or for the care of drug addicts or alcoholics; or
- (3) a home or facility primarily used for the care and treatment of mental diseases or disorders, or custodial or educational care.

Subp. 5. **Health care expenses.** "Health care expenses" means expenses of health maintenance organizations associated with the delivery of health care services that are analogous to incurred losses of insurers.

This term does not include:

- A. home office and overhead costs;
- B. advertising costs;
- C. commissions and other acquisition costs;
- D. taxes;
- E. capital costs;
- F. administrative costs; or
- G. claims processing costs.

Subp. 6. **Hospital.** "Hospital" may be defined in relation to its status, facilities, and available services or to reflect its accreditation by the Joint Commission on Accreditation of Hospitals.

A. The definition of the term "hospital" must not be more restrictive than one requiring that the hospital:

- (1) be an institution operated pursuant to law;

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(2) be primarily and continuously engaged in providing or operating, either on its premises or in facilities available to the hospital on a prearranged basis and under the supervision of a staff of duly licensed physicians, medical, diagnostic, and major surgical facilities for the medical care and treatment of sick or injured persons on an inpatient basis for which charge is made; and

(3) provide 24-hour nursing service by or under the supervision of registered graduate professional nurses (R.N.).

B. The definition of the term "hospital" may state that the term does not include:

(1) convalescent homes, or convalescent, rest, or nursing facilities;

(2) facilities primarily affording custodial, educational, or rehabilitary care;

(3) facilities for the aged, drug addicts, or alcoholics; or

(4) any military or veterans hospital or soldiers home or any hospital contracted for or operated by any national government or agency thereof for the treatment of members or ex-members of the armed forces, except for services rendered on an emergency basis where a legal liability exists for charges made to the individual for the services.

Subp. 7. **Medicare.** "Medicare" must be defined in the policy. Medicare may be substantially defined as "The Health Insurance for the Aged Act, title XVIII of the Social Security Amendments of 1965 as Then Constituted or Later Amended," or title I, part I of Public Law Number 89-97, as enacted by the Eighty-Ninth Congress of the United States of America, and popularly known as the Health Insurance for the Aged Act, as then constituted and any later amendments or substitutes of it," or words of similar import.

Subp. 8. **Medicare eligible expenses.** "Medicare eligible expenses" means health care expenses of the kinds covered by Medicare, to the extent recognized as reasonable by Medicare. Payment of benefits by insurers for Medicare eligible expenses may be conditioned upon the same or less restrictive payment conditions, including determinations of medical necessity as are applicable to Medicare claims.

Subp. 9. **Mental or nervous disorders.** "Mental or nervous disorders" must not be defined more restrictively than a definition including neurosis, psychoneurosis, psychopathy, psychosis, or mental or emotional disease or disorder of any kind.

Subp. 10. **Nurses.** "Nurses" may be defined so that the description of nurse is restricted to a type of nurse, such as registered graduate professional nurse (R.N.), a licensed practical nurse (L.P.N.), or a licensed vocational nurse (L.V.N.). If the words "nurse," "trained nurse," or "registered nurse" are used without specific instruction, then the use of those terms requires the insurer to recognize the services of an individual who qualified under the terminology in accordance with the applicable statutes or administrative rules of the licensing or registry board of Minnesota.

Subp. 11. **Physicians.** "Physician" may be defined by including words such as "duly qualified physician" or "duly licensed physician." The use of those terms requires an insurer to recognize and to accept, to the extent of its obligation under the contract, all providers of medical care and treatment when these services are within the scope of the provider's licensed authority and are provided pursuant to applicable laws.

Subp. 12. **Sickness.** "Sickness" must not be defined to be more restrictive than the following: "Sickness means sickness or disease of an insured person that first manifests itself after the effective date of insurance and while the insurance is in force." The definition may be further modified to exclude sicknesses or diseases for which benefits are provided under a workers' compensation, occupational disease, employer's liability, or similar law.

### 2741.0130 [Emergency] PROHIBITED POLICY PROVISIONS.

Subpart 1. **Coverage limitations or exclusions.** No insurance policy or subscriber contract may be advertised, solicited, or issued for delivery in Minnesota as a Medicare supplement policy if the policy or subscriber contract limits or excludes coverage by type of illness, accident, treatment, or medical condition, except as follows:

A. foot care in connection with corns, calluses, flat feet, fallen arches, weak feet, chronic foot strain, or symptomatic complaints of the feet;

B. mental or emotional disorders, alcoholism, and drug addiction;

C. illness, treatment, or medical condition arising out of:

(1) war or act of war, whether declared or undeclared; participation in a felony, riot, or insurrection; service in the armed forces or auxiliary units;

(2) suicide, while sane or insane, attempted suicide, or intentionally self-inflicted injury;

(3) aviation;

D. cosmetic surgery, except that cosmetic surgery does not include reconstructive surgery when the service is incidental to or follows surgery resulting from trauma, infection, or other diseases of the involved part;

E. care in connection with the detection and correction by manual or mechanical means of structural imbalance, distortion,

or subluxation in the human body for purposes of removing nerve interference and its effect, where the interference is the result of or related to distortion, misalignment, or subluxation of or in the vertebral column;

F. treatment provided in a governmental hospital; benefits provided under Medicare or other governmental program, except Medicaid; any state or federal workers' compensation, employer's liability or occupational disease law, or any motor vehicle no-fault law; services rendered by employees of hospitals, laboratories, or other institutions; services performed by a member of the covered person's immediate family; and services for which no charge is normally made in the absence of insurance;

G. dental care or treatment;

H. eye glasses, hearing aids, and examination for the prescription or fitting of them;

I. rest cures, custodial care, transportation, and routine physical examinations;

J. territorial limitations outside the United States.

Supplemental policies may not contain, when issued, limitations or exclusions of the type in items A, E, I, or J that are more restrictive than those of Medicare. Medicare supplement policies may exclude coverage for an expense to the extent of a benefit available to the insured under Medicare.

Subp. 2. **Waivers.** No Medicare supplement policy may use waivers to exclude, limit, or reduce coverage or benefits for specifically named or described preexisting diseases or physical conditions.

Subp. 3. **Use of terms.** The terms "Medicare supplement," "Medigap," and words of similar import must not be used unless the policy is issued in compliance with parts 2741.0100 to 2741.0230 [Emergency].

Subp. 4. **Duplicate policies.** No Medicare supplement insurance policy, contract, or certificate in force in Minnesota shall contain benefits that duplicate benefits provided by Medicare.

#### **2741.0140 [Emergency] MINIMUM BENEFIT STANDARDS.**

Subpart 1. **Generally.** No insurance policy or subscriber contract may be advertised, solicited, or issued for delivery in Minnesota as a Medicare supplement policy that does not meet the following minimum standards. These are minimum standards and do not preclude the inclusion of other provisions or benefits that are not inconsistent with these standards.

Subp. 2. **General standards.** The following general standards apply to Medicare supplement policies and are in addition to all other requirements of parts 2741.0100 to 2741.0230 [Emergency].

A. A Medicare supplement policy may not deny a claim for losses incurred more than six months from the effective date of coverage for a preexisting condition. The policy may not define a preexisting condition more restrictively than a condition for which medical advice was given or treatment was recommended by or received from a physician within 90 days before the effective date of coverage.

B. A Medicare supplement policy may not indemnify against losses resulting from sickness on a different basis than losses resulting from accidents.

C. A Medicare supplement policy must provide that benefits designed to cover cost-sharing amounts under Medicare will be changed automatically to coincide with changes in the applicable Medicare deductible amount and copayment percentage factors. Premiums may be modified to correspond with these changes.

D. A "noncancelable," "guaranteed renewable," or "noncancelable and guaranteed renewable" Medicare supplement policy must not:

(1) provide for termination of coverage of a spouse solely because of the occurrence of an event specified for termination of coverage of the insured, other than the nonpayment of premium; or

(2) be canceled or nonrenewed by the insurer solely on the grounds of deterioration of health.

E. Termination of a Medicare supplement policy must be without prejudice to a continuous loss that began while the policy was in force, but the extension of benefits beyond the period during which the policy was in force may be predicated upon the continuous total disability of the insured, limited to the duration of the policy benefit period, if any, or payment of the maximum benefits.

Subp. 2. **Minimum benefit standards.** Parts 2741.0150 [Emergency] and 2741.0160 [Emergency] contain the minimum benefit standards for extended basic and basic Medicare supplement plan coverage.

#### **2741.0150 [Emergency] EXTENDED BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.**

The extended basic Medicare supplement plan must have a level of coverage so that it will be certified as a qualified plan pursuant to *Minnesota Statutes*, chapter 62E and will provide:

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- A. coverage for all of the Medicare part A inpatient hospital deductible amount;
- B. coverage for the daily copayment amount of Medicare part A eligible expenses for the first eight days per calendar year incurred for skilled nursing facility care;
- C. coverage for the 20 percent copayment amount of Medicare eligible expenses excluding outpatient prescription drugs under Medicare part B regardless of hospital confinement up to the maximum out-of-pocket amount for Medicare part B and coverage of the Medicare deductible amount;
- D. 80 percent of usual and customary hospital and medical expenses, supplies, and prescription drug expenses, including home intravenous (IV) therapy drugs and immunosuppressive therapy drugs not covered by Medicare's eligible expenses; and
- E. coverage for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells as defined under federal regulations under Medicare parts A and B, unless replaced in accordance with federal regulations.

### 2741.0160 [Emergency] BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.

Subpart 1. **Generally.** The basic Medicare supplement plan must have a level of coverage that, at a minimum, will provide:

- A. coverage for the daily copayment amount of Medicare part A eligible expenses for the first eight days per calendar year incurred for skilled nursing facility care;
- B. coverage for the 20 percent copayment amount of Medicare eligible expenses excluding outpatient prescription drugs under Medicare part B regardless of hospital confinement up to the maximum out-of-pocket amount for Medicare part B after the Medicare deductible amount;
- C. coverage for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells as defined under federal regulations under Medicare parts A and B, unless replaced in accordance with federal regulations;
- D. coverage for the copayment amount of Medicare eligible expenses for covered home intravenous (IV) therapy drugs, as determined by the Secretary of Health and Human Services, subject to the Medicare outpatient prescription drug deductible amount, if applicable; and
- E. coverage for the copayment amount of Medicare eligible expenses for outpatient drugs used in immunosuppressive therapy subject to the Medicare outpatient prescription drug deductible, if applicable.

Subp. 2. **Optional benefit riders.** Only the following optional benefit riders may be added to this plan:

- A. coverage for all of the Medicare part A inpatient hospital deductible amount; and
- B. a minimum of 80 percent of usual and customary medical expenses and supplies not covered by Medicare part B eligible expenses. This does not include outpatient prescription drugs.

Subp. 3. **Medicare eligible expenses.** "Medicare eligible expenses" means health care expenses of the kinds covered by Medicare, to the extent recognized as reasonable by Medicare. Payment of benefits by insurers for Medicare eligible expenses may be conditioned upon the same or less restrictive payment conditions, including determinations of medical necessity as are applicable to Medicare claims.

### 2741.0170 [Emergency] STANDARDS FOR CLAIMS PAYMENT.

- A. Every entity providing Medicare supplement policies or contracts shall comply with Section 4081 of the Omnibus Budget Reconciliation Act of 1987, Public Law Number 100-203.
- B. Compliance with the requirements in item A must be certified on the Medicare supplement insurance experience reporting form.
- C. The requirements of this part are in addition to any other requirements of law.

### 2741.0180 [Emergency] LOSS RATIO STANDARDS.

Medicare supplement policies shall return to policyholders in the form of aggregate benefits under the policy, for the entire period for which rates are computed to provide coverage, on the basis of incurred claims experience or incurred health care expenses where coverage is provided by a health maintenance organization on a service rather than reimbursement basis and earned premiums for the period and in accordance with accepted actuarial principles and practices:

- A. at least 75 percent of the aggregate amount of premiums earned in the case of group policies; and
- B. at least 65 percent of the aggregate amount of premiums earned in the case of individual policies.

All filings of rates and rating schedules must demonstrate that actual and expected losses in relation to premiums comply with this part.

C. Every entity providing Medicare supplement policies in Minnesota shall file annually its rates, rating schedule, and supporting documentation, including ratios of incurred losses to earned premiums by number of years of policy duration demonstrating that it is in compliance with the foregoing applicable loss ratio standards and that the period for which the policy is rated is reasonable in accordance with accepted actuarial principles and experience.

For the purposes of this part, policy forms comply with the loss ratio standards if:

(1) for the most recent year, the ratio of the incurred losses to earned premiums for policies or certificates that have been in force for three years or more is greater than or equal to the applicable percentages contained in this part; and

(2) the expected losses in relation to premiums over the entire period for which the policy is rated comply with the requirements of this part. An expected third-year loss ratio that is greater than or equal to the applicable percentage must be demonstrated for policies or certificates in force less than three years.

D. As soon as practicable, but no later than 60 days before the effective date of Medicare benefit changes required by the Medicare Catastrophic Coverage Act of 1988, every insurer, health care service plan, or other entity providing Medicare supplement insurance or contracts in Minnesota, except employers subject to Section 421 of the Medicare Catastrophic Coverage Act of 1988, shall file with the commissioner in accordance with the applicable filing procedures of Minnesota:

(1) Appropriate premium adjustments necessary to produce loss ratios as originally anticipated for the applicable policies or contracts. The supporting documents as necessary to justify the adjustment must accompany the filing.

Every insurer, health care service plan, or other entity providing Medicare supplement insurance or benefits to a resident of Minnesota pursuant to *Minnesota Statutes*, sections 62A.31 to 62A.44 shall make the premium adjustments necessary to produce an expected loss ratio under the policy or contract as will conform with minimum loss ratio standards for Medicare supplement policies and that are expected to result in a loss ratio at least as great as that originally anticipated in the rates used to produce current premiums by the insurer, health care service plan, or other entity for the Medicare supplement insurance policies or contracts. No premium adjustment that would modify the loss ratio experience under the policy other than the adjustments described in this part should be made with respect to a policy at any time other than upon its renewal date or anniversary date. Premium adjustments must be in the form of refunds or premium credits and must be made no later than upon renewal if a credit is given, or within 60 days of the renewal date or anniversary date if a refund is provided to the premium payer. Premium adjustments must be calculated for the period beginning with Medicare benefit changes.

(2) Any appropriate riders, endorsements, or policy forms needed to accomplish the Medicare supplement insurance modifications necessary to eliminate benefit duplications with Medicare. These riders, endorsements, or policy forms must provide a clear description of the Medicare supplement benefits provided by the policy or contract.

#### **2741.0190 [Emergency] FILING REQUIREMENTS FOR OUT-OF-STATE GROUP POLICIES.**

An insurer providing group Medicare supplement insurance benefits to a resident of Minnesota under *Minnesota Statutes*, sections 62A.31 to 62A.44 shall file a copy of the master policy and any certificate used in Minnesota in accordance with the filing requirements and procedures applicable to group Medicare supplement policies issued in Minnesota; provided, however, that no insurer shall be required to make a filing earlier than 30 days after insurance was provided to a resident of Minnesota under a master policy issued for delivery outside Minnesota unless otherwise required by law.

#### **2741.0200 [Emergency] PROHIBITED COMPENSATION FOR REPLACEMENT WITH SAME COMPANY.**

No entity shall provide compensation to its agents or other producers that is greater than the renewal compensation that would have been paid on an existing policy if the existing policy is replaced by another policy with the same company where the new policy benefits are substantially similar to the benefits under the old policy and the old policy was issued by the same insurer or insurer group.

#### **2741.0210 [Emergency] REQUIRED DISCLOSURE PROVISIONS.**

Subpart 1. **General rules.** Medicare supplement policies must contain the following disclosure provisions:

A. Medicare supplement policies must include a renewal, continuation, or nonrenewal provision. The language or specifications of such provision must be consistent with the type of contract to be issued. The provision must be captioned, shall appear on the first page of the policy, and shall clearly state the duration, where limited, or renewability and the duration of the term of coverage for which the policy is issued and for which it may be renewed.

B. Except for riders or endorsements by which the insurer effectuates a request made in writing by the insured, exercises a specifically reserved right under a Medicare supplement policy, or is required to reduce or eliminate benefits to avoid duplication of Medicare benefits, all riders or endorsements added to a Medicare supplement policy after date of issue or at reinstatement or renewal that reduce or eliminate benefits or coverage in the policy shall require a signed acceptance by the insured. After the date of policy issue, any rider or endorsement that increases benefits or coverage with a concomitant increase in premium during the policy term

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must be agreed to in writing signed by the insured, unless the benefits are required by the minimum standards for Medicare supplement insurance policies, or if the increased benefits or coverage is required by law. Where a separate additional premium is charged for benefits provided in connection with riders or endorsements, the premium charge shall be set forth in the policy.

C. A Medicare supplement policy that provides for the payment of benefits based on standards described as "usual and customary," "reasonable and customary," or words of similar import shall include a definition of such terms and an explanation of such terms in its accompanying outline of coverage.

D. If a Medicare supplement policy contains any limitations with respect to preexisting conditions, such limitations must appear as a separate paragraph of the policy and be labeled as "Preexisting Condition Limitations."

E. Medicare supplement policies or certificates shall have a notice prominently printed on the first page of the policy or certificate or attached thereto stating in substance that the policyholder or certificate holder shall have the right to return the policy or certificate within 30 days of its delivery and to have the premium refunded if, after examination of the policy or certificate, the insured person is not satisfied for any reason.

F. Insurers issuing accident and sickness policies, certificates or subscriber contracts that provide hospital or medical expense coverage on an expense incurred or indemnity basis, other than incidentally, to a person eligible for Medicare by reason of age shall provide to all applicants a Medicare Supplement Buyer's Guide in the form developed jointly by the National Association of Insurance Commissioners and the Health Care Financing Administration. Delivery of the buyer's guide shall be made whether or not the policies, certificates, or subscriber contracts are advertised, solicited, or issued as Medicare supplement policies. Except in the case of direct response insurers, delivery of the buyer's guide shall be made to the applicant at the time of application and acknowledgment of receipt of the buyer's guide shall be obtained by the insurer. Direct response insurers shall deliver the buyer's guide to the applicant upon request but not later than at the time the policy is delivered.

Subp. 2. **Notice requirements.** Medicare supplement policies must include the following notice requirements:

A. As soon as practicable, but no later than 30 days before the annual effective date of any Medicare benefit changes, every insurer, health care service plan, or other entity providing Medicare supplement insurance or benefits to a resident of Minnesota shall notify its policyholders, contract holders, and certificate holders of modifications it has made to Medicare supplement insurance policies or contracts in a format acceptable to the commissioner. For the years 1989 and 1990, and if prescription drugs are covered in 1991, the notice shall be in a format prescribed by the commissioner or in the format set forth in parts 2741.0240 [Emergency], 2741.0250 [Emergency], and 2741.0260 [Emergency] if no other format is prescribed by the commissioner. In addition, the notice shall:

(1) include a description of revisions to the Medicare program and a description of each modification made to the coverage provided under the Medicare supplement insurance policy or contract; and

(2) inform each covered person as to when any premium adjustment is to be made due to changes in Medicare.

B. The notice of benefit modifications and any premium adjustments shall be in outline form and in clear and simple terms so as to facilitate comprehension.

C. Notices shall not contain or be accompanied by any solicitation.

Subp. 3. **Outline of coverage requirements for Medicare supplement policies.** Insurers issuing Medicare supplement policies or certificates for delivery in Minnesota shall provide an outline of coverage to all applicants at the time application is made and, except for direct response policies, shall obtain an acknowledgment of receipt of the outline from the applicant.

If an outline of coverage is provided at the time of application and the Medicare supplement policy or certificate is issued on a basis that would require revision of the outline, a substitute outline of coverage properly describing the policy or certificate must accompany the policy or certificate when it is delivered and contain the following statement, in no less than 12-point type, immediately above the company name: "NOTICE: Read this outline of coverage carefully. It is not identical to the outline of coverage provided upon application and the coverage originally applied for has not been issued."

The outline of coverage provided to applicants under ..... shall be in the form prescribed below:

[COMPANY NAME]

### OUTLINE OF MEDICARE SUPPLEMENT COVERAGE

1. Read your policy carefully. This outline of coverage provides a very brief description of the important features of your policy. This is not the insurance contract and only the actual policy provisions will control. The policy itself sets forth in detail the rights and obligations of both you and your insurance company. It is, therefore, important that you **READ YOUR POLICY CAREFULLY!**

2. Medicare Supplement Coverage. Policies of this category are designed to supplement Medicare by covering some hospital, medical, and surgical services that are partially covered by Medicare. Coverage is provided for hospital inpatient charges and some physician charges, subject to any deductibles and copayment provisions that may be in addition to those provided by Medicare, and subject to

other limitations that may be set forth in the policy. The policy does not provide benefits for custodial care such as help in walking, getting in and out of bed, eating, dressing, bathing, and taking medicine [delete if such coverage is provided.]

3. A. [for agents]:

Neither [company's name] nor its agents are connected with Medicare.

B. [for direct response]:

[Company's name] is not connected with Medicare.

4. [A brief summary of the major medical benefit gaps in Medicare parts A and B with a parallel description of supplemental benefits, including dollar amounts (and indexed copayments or deductibles, as appropriate), provided by the Medicare supplement coverage in the following order]:

DESCRIPTION	THIS POLICY PAYS	YOU PAY
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SERVICE

**PART A**

INPATIENT HOSPITAL SERVICES:

Semi-Private Room and Board

Miscellaneous Hospital Services and Supplies, such as Drugs, X-rays, Laboratory Tests, and Operating Room

SKILLED NURSING FACILITY CARE

BLOOD

**PARTS A AND B**

Home Health Services

**PART B**

MEDICAL EXPENSE:

Services of a Physician; Outpatient Services

Medical Supplies other than Prescribed Drugs

BLOOD

MAMMOGRAPHY SCREENING

OUT-OF-POCKET MAXIMUM

PRESCRIPTION DRUGS

**MISCELLANEOUS**

Home IV-Drug Therapy

Immunosuppressive Drugs

Respite Care Benefits

IN ADDITION TO THIS OUTLINE OF COVERAGE, [INSURANCE COMPANY NAME] WILL SEND AN ANNUAL NOTICE TO YOU 30 DAYS PRIOR TO THE EFFECTIVE DATE OF MEDICARE CHANGES THAT WILL DESCRIBE THESE CHANGES AND THE CHANGES IN YOUR MEDICARE SUPPLEMENT COVERAGE.

5. The following charts shall accompany the outline of coverage:

**MEDICARE BENEFITS IN PART A**

1988	1989	1990	1991
<b>INPATIENT HOSPITAL SERVICES</b>			
All but \$540 for first 60 days/ benefit period	All but (\$560) deductible for an unlimited number of days/ calendar year	All but Part A deductible for an unlimited number of days/ calendar year	All but Part A deductible for an unlimited number of days/ calendar year
<b>SEMI-PRIVATE ROOM &amp; BOARD</b>			
All but \$135 a day for 61st-90th days/benefit period			

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1988	1989	1990	1991
<b>MISCELLANEOUS HOSPITAL SERVICES &amp; SUPPLIES SUCH AS: DRUGS, X-RAYS, LAB TESTS &amp; OPERATING ROOM</b>			
All but \$270 a day for 91st-150th days (if the individual chooses to use 60 nonrenewable life-time reserve days) Nothing beyond 150 days			
<b>SKILLED NURSING FACILITY CARE</b>			
100% of costs for first 20 days (after a 3-day prior hospital confinement)	80% of Medicare reasonable costs for first 8 days per calendar year without prior hospitalization requirement	80% for first 8 days/calendar year	80% for first 8 days/calendar year
All but \$67.50 a day for first 100 days			
Nothing beyond 100 days	100% of costs thereafter up to 150 days/calendar year	100% for 9th-150th day/calendar year	100% for 9th-150th day/calendar year
<b>BLOOD</b>			
Pays all costs except nonreplacement fees (blood deductible) for first 3 pints in each benefit period)	Pays all costs except payment of deductible (equal to costs for first 3 pints) each calendar year. Part A blood deductible reduced to the extent paid under Part B	All but blood deductible (equal to costs for first 3 pints)	All but blood deductible (equal to costs for first 3 pints)

### MEDICARE BENEFITS IN PARTS A & B

<b>HOME HEALTH SERVICES</b>			
Intermittent skilled nursing care and other services in the home (daily skilled nursing care for up to 21 days or longer in some cases)—100% of covered services and 80% of durable medical equipment under both Parts A and B	Same as 1988	Intermittent skilled nursing care for up to 7 days a week for up to 38 days allowing for continuation of services under unusual circumstances; other services—100% of covered services and 80% off durable medical equipment under both Parts A and B	Same as 1990

### MEDICARE BENEFITS IN PART B

#### MEDICAL EXPENSE: SERVICES OF A PHYSICIAN/OUTPATIENT SERVICES

#### MEDICAL SUPPLIES OTHER THAN PRESCRIBED DRUGS

80% of reasonable charges after an annual \$75 deductible	80% after annual \$75 deductible	80% of reasonable charges after \$75 annual deductible until out-of-pocket maximum is reached. 100% of reasonable charges are covered for remainder of calendar year	Same as 1990
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#### BLOOD

80% of costs except nonreplacement fees (blood deductible) for first 3 pints in each benefit period after \$75 deductible	Pays 80% of all costs except payment of deductible (equal to costs for first 3 pints) each calendar year	Same as 1989	Same as 1989
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#### MAMMOGRAPHY SCREENING

80% of approved charge for elderly and disabled Medicare beneficiaries—exams available every other year for women 65 and over	Same as 1990
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## Emergency Rules

1988	1989	1990	1991
OUT-OF-POCKET MAXIMUM		\$1,370 consisting of Part B \$75 deductible. Part B blood deductible and 20% coinsurance	\$1,370 will be adjusted annually by Secretary of Health and Human Services
OUTPATIENT PRESCRIPTION DRUGS		There is a \$550 total deductible applicable to home IV drug and immunosuppressive drug therapies as noted below	Covered after \$600 deductible subject to 50% coinsurance
HOME IV-DRUG THERAPY		80% of IV therapy drugs subject to \$550 deductible (deductible waived if home therapy is a continuation of therapy initiated in a hospital)	80% of IV therapy drugs subject to \$550 deductible (deductible waived if home therapy is a continuation of therapy initiated in a hospital)
IMMUNOSUPPRESSIVE DRUG THERAPY 80% of costs during first year following a covered organ transplant (no special drug deductible; only the regular Part B deductible)	Same as 1988	Same as 1988 for first year following covered transplant; 50% of costs during 2nd and following years (subject to \$550 deductible)	Same as 1990 (subject to \$600 deductible)
RESPIRE CARE BENEFIT		In-home care for chronically dependent individual covered for up to 80 hours after either the out-of-pocket limit or the outpatient drug deductible has been met	Same as 1990

6. Statement that the policy does or does not cover the following:

- (a) private duty nursing;
- (b) skilled nursing home care costs (beyond what is covered by Medicare);
- (c) custodial nursing home care costs;
- (d) intermediate nursing home care costs;
- (e) home health care above number of visits covered by Medicare;
- (f) physician charges (above Medicare's reasonable charges);
- (g) drugs (other than prescription drugs furnished during a hospital or skilled nursing facility stay);
- (h) care received outside the United States; and
- (i) dental care or dentures, checkups, routine immunizations, cosmetic surgery, routine foot care, examinations for the cost of eyeglasses, or hearing aids.

7. A description of any policy provisions that exclude, eliminate, resist, reduce, limit, delay, or in any other manner operate to qualify payments of the benefits described in number 4, including conspicuous statements;

- (a) that the chart summarizing Medicare benefits only briefly describes such benefits; and
- (b) that the Health Care Financing Administration or its Medicare publications should be consulted for further details and limitations.

8. A description of policy provisions respecting renewability or continuation of coverage, including any reservation or rights to change premium.

9. The amount of premium for this policy.

## Emergency Rules

10. A statement of the exceptions, reductions, and limitations contained in the policy including the following language, as applicable, in bold print: "THIS POLICY DOES NOT COVER ALL MEDICAL EXPENSES BEYOND THOSE COVERED BY MEDICARE. THIS POLICY DOES NOT COVER ALL SKILLED NURSING HOME CARE EXPENSES AND DOES NOT COVER CUSTODIAL OR RESIDENTIAL NURSING CARE. READ YOUR POLICY CAREFULLY TO DETERMINE WHICH NURSING HOME FACILITIES AND EXPENSES ARE COVERED BY YOUR POLICY."

11. A statement of the policy's loss ratio as follows: "This policy provides an anticipated loss ratio of .. percent. This means that, on the average, policyholders may expect that \$..... of every \$100 in premium will be returned as benefits to policyholders over the life of the contract."

D. Notice regarding policies or subscriber contracts that are not Medicare supplement policies.

An accident and sickness insurance policy or subscriber contract, other than a Medicare supplement policy; disability income policy; basic, catastrophic, or major medical expense policy; single premium nonrenewable policy, or other policy issued for delivery in Minnesota to persons eligible for Medicare by reason of age shall notify insureds under the policy or subscriber contract that the policy or subscriber contract is not a Medicare supplement policy. The notice must either be printed or attached to the first page of the outline of coverage delivered to insureds under the policy or subscriber contract, or if no outline of coverage is delivered, to the first page of the policy, certificate, or subscriber contract delivered to insureds. The notice must be in no less than 12-point type and must contain the following language:

"THIS [POLICY, CERTIFICATE, OR SUBSCRIBER CONTRACT] IS NOT A MEDICARE SUPPLEMENT [POLICY OR CONTRACT]. If you are eligible for Medicare, review the Medicare Supplement Buyer's Guide available from the company."

### 2741.0220 [Emergency] REQUIREMENTS FOR REPLACEMENT.

Subpart 1. **Application forms.** Application forms must include a question designed to elicit information as to whether a Medicare supplement policy or certificate is intended to replace any other accident and sickness policy or certificate presently in force. A supplementary application or other form to be signed by the applicant containing such a question may be used.

Subp. 2. **Replacement coverage notice.** Upon determining that a sale will involve replacement, an insurer, other than a direct response insurer, or its agent, shall furnish the applicant, before issuance or delivery of the Medicare supplement policy or certificate, a notice regarding replacement of accident and sickness coverage. One copy of the notice shall be provided to the applicant and an additional copy signed by the applicant shall be retained by the insurer. A direct response insurer shall deliver to the applicant at the time of the issuance of the policy the notice regarding replacement of accident and sickness coverage. In no event, however, will such a notice be required in the solicitation of "accident only" and "single premium nonrenewable" policies.

Subp 3. **Form of notice.** The notice required by subpart 2 for an insurer, other than a direct response insurer, must be provided in substantially the following form:

#### NOTICE TO APPLICANT REGARDING REPLACEMENT OF ACCIDENT AND SICKNESS INSURANCE

According to [your application] [information you have furnished], you intend to lapse or otherwise terminate existing accident and sickness insurance and replace it with a policy to be issued by [Company Name] Insurance Company. Your new policy provides 30 days within which you may decide without cost whether you desire to keep the policy. For your own information and protection, you should be aware of and seriously consider certain factors that may affect the insurance protection available to you under the new policy.

(1) Health conditions that you may presently have (preexisting conditions) may not be immediately or fully covered under the new policy. This could result in denial or delay of a claim for benefits under the new policy, whereas a similar claim might have been payable under your present policy. This subitem may be modified if preexisting conditions are covered under the new policy.

(2) You may wish to secure the advice of your present insurer or its agent regarding the proposed replacement of your present policy. This is not only your right, but it is also in your best interest to make sure you understand all the relevant factors involved in replacing your present coverage.

(3) If, after due consideration, you still wish to terminate your present policy and replace it with new coverage, be certain to truthfully and completely answer all questions on the application concerning your medical/health history. Failure to include all material medical information on an application may provide a basis for the company to deny any future claims and to refund your premium as though your policy had never been in force. After the application has been completed and before you sign it, reread it carefully to be certain that all information has been properly recorded.

The above "Notice to Applicant" was delivered to me:

.....  
(Date)

.....  
(Applicant's Signature)

Subp. 4. **Direct response notice.** The notice required by subpart 2 for a direct response shall be as follows:

**NOTICE TO APPLICANT REGARDING REPLACEMENT OF ACCIDENT AND SICKNESS INSURANCE**

According to [your application] [information you have furnished], you intend to lapse or otherwise terminate existing accident and sickness insurance and replace it with the policy delivered herewith issued by [Company Name] Insurance Company. Your new policy provides 30 days within which you may decide without cost whether you desire to keep the policy. For your own information and protection, you should be aware of and seriously consider certain factors that may affect the insurance protection available to you under the new policy.

(1) Health conditions that you may presently have (preexisting conditions) may not be immediately or fully covered under the new policy. This could result in denial or delay of a claim for benefits under the new policy, whereas a similar claim might have been payable under your present policy.

(2) You may wish to secure the advice of your present insurer or its agent regarding the proposed replacement of your present policy. This is not only your right, but it is also in your best interest to make sure you understand all the relevant factors involved in replacing your present coverage.

(3) [To be included only if the application is attached to the policy.] If, after due consideration, you still wish to terminate your present policy and replace it with new coverage, read the copy of the application attached to your new policy and be sure that all questions are answered fully and correctly. Omissions or misstatements in the application could cause an otherwise valid claim to be denied. Carefully check the application and write to [Company Name and Address] within ten days if any information is not correct and complete, or if any past medical history has been left out of the application.

.....  
(Company Name)

**2741.0230 [Emergency] FILING REQUIREMENTS FOR ADVERTISING.**

An insurer, health care service plan, or other entity providing Medicare supplement insurance or benefits in Minnesota shall provide a copy of any Medicare supplement advertisement intended for use in Minnesota whether through written, radio, or television medium to the commissioner of the Department of Commerce for review or approval by the commissioner to the extent it may be required under Minnesota law.

**2741.0240 [Emergency] NOTICE OF 1989 CHANGES.**

[COMPANY NAME]

**NOTICE OF CHANGES IN MEDICARE AND YOUR  
MEDICARE SUPPLEMENT INSURANCE—1989**

YOUR HEALTH CARE BENEFITS PROVIDED BY THE FEDERAL MEDICARE PROGRAM WILL CHANGE BEGINNING JANUARY 1, 1989. ADDITIONAL CHANGES WILL OCCUR IN MEDICAL BENEFITS IN FOLLOWING YEARS. THE MAJOR CHANGES ARE SUMMARIZED BELOW. THESE CHANGES WILL AFFECT HOSPITAL, MEDICAL, AND OTHER SERVICES AND SUPPLIES PROVIDED UNDER MEDICARE. BECAUSE OF THESE CHANGES, YOUR MEDICARE SUPPLEMENT COVERAGE PROVIDED BY [COMPANY NAME] WILL CHANGE, ALSO. THE FOLLOWING OUTLINE BRIEFLY DESCRIBES THE MODIFICATIONS IN MEDICARE AND IN YOUR MEDICARE SUPPLEMENT COVERAGE. PLEASE READ THIS CAREFULLY!

[A BRIEF DESCRIPTION OF THE REVISIONS TO MEDICARE PARTS A & B WITH A PARALLEL DESCRIPTION OF SUPPLEMENTAL BENEFITS WITH SUBSEQUENT CHANGES, INCLUDING DOLLAR AMOUNTS, PROVIDED BY THE MEDICARE SUPPLEMENT COVERAGE IN SUBSTANTIALLY THE FOLLOWING FORMAT.]

SERVICES	MEDICARE BENEFITS	YOUR MEDICARE SUPPLEMENT COVERAGE
Medicare Now Pays Per Benefit Period	Effective 1/1/89 Medicare Will Pay Per Calendar Year	Your 1988 Coverage Per Benefit Period      Effective 1/1/89 Your Coverage Will Pay Per Calendar Year

**MEDICARE PART A—SERVICES AND SUPPLIES**

First 60 days—All but \$540	Unlimited number of hospital days after \$560 deductible
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61st to 90th day—All but \$135 a day

91st to 150th day—All but \$270 a day (if individual chooses to use 60 nonrenewable life-time reserve days)

Beyond 150th day—Nothing

## Emergency Rules

### SERVICES

#### SKILLED NURSING FACILITY CARE

Requires a 3-day prior stay and enter the facility generally within 30 days after hospital discharge

First 20 days—100% of costs

21st through 100th day—All but \$67.50 a day

Beyond 100 days—Nothing

Medicare Now Pays Per Calendar Year

### MEDICARE BENEFITS

There is no prior confinement requirement for this benefit

First 8 days—All but \$25.50 a day

9th through 105th day—100% of costs

Beyond 150 days—Nothing

In 1989 Medicare Part B Pays the Same as in 1988

### YOUR MEDICARE SUPPLEMENT COVERAGE

Your Policy Now Pays

Effective 1/1/89 Your Policy Will Pay

### MEDICARE PART B—SERVICES AND SUPPLIES

80% of allowable charges (after \$75 deductible)

NOTE: Medicare benefits change on January 1, 1990 as follows: 80% of allowable charges (after \$75 deductible) until an annual Medicare Catastrophic Limit is met. 100% of allowable charges for the remainder of the calendar year. The limit in 1990 is \$1,370\* and will be adjusted on an annual basis

### PRESCRIPTION DRUGS

Inpatient prescription drugs only

In 1989 Medicare covers inpatient prescription drugs only

Effective January 1, 1990 Per Calendar Year 80% of allowable charges for home intravenous (IV) therapy drugs and 50% of allowable charges for immunosuppressive drugs after (\$550 in 1990) calendar year deductible is met

Effective January 1, 1991 Per Calendar Year inpatient prescription drugs: 50% of allowable charges for all other outpatient prescription drugs after a \$600 calendar year deductible is met (the deductible will change). Coverage will increase to 60% of allowable charges in 1992 and to 80% of allowable charges from 1993 on.

\*Expenses that count toward the Part B Medicare Catastrophic Limit include: the Part B deductible and copayment charges and the Part B blood deductible charges.

[ANY ADDITIONAL BENEFITS]

[Describe any coverage provisions changing due to Medicare modifications.]

[Include information about premium adjustments that may be necessary due to changes in Medicare benefits, or when premium changes, information will be sent.]

THIS CHART SUMMARIZING THE CHANGES IN YOUR MEDICARE BENEFITS AND IN YOUR MEDICARE SUPPLEMENT PROVIDED BY [COMPANY] ONLY BRIEFLY DESCRIBES SUCH BENEFITS. FOR INFORMATION ON YOUR MEDICARE BENEFITS CONTACT YOUR SOCIAL SECURITY OFFICE OR THE HEALTH CARE FINANCING ADMINISTRATION. FOR INFORMATION ON YOUR MEDICARE SUPPLEMENT [Policy] CONTACT: [COMPANY OR FOR AN INDIVIDUAL POLICY - NAME OF AGENT][ADDRESS/PHONE NUMBER]

**2741.0250 [Emergency] NOTICE OF 1990 CHANGES.**

[COMPANY NAME]

**NOTICE OF CHANGES IN MEDICARE AND YOUR  
MEDICARE SUPPLEMENT COVERAGE—1990**

YOUR HEALTH CARE BENEFITS PROVIDED BY THE FEDERAL MEDICARE PROGRAM WILL CHANGE BEGINNING January 1, 1990. ADDITIONAL CHANGES WILL OCCUR IN MEDICAL BENEFITS IN FOLLOWING YEARS. THE MAJOR CHANGES ARE SUMMARIZED BELOW. THESE CHANGES WILL AFFECT HOSPITAL, MEDICAL, AND OTHER SERVICES AND SUPPLIES PROVIDED UNDER MEDICARE. BECAUSE OF THESE CHANGES, YOUR MEDICARE SUPPLEMENT COVERAGE PROVIDED BY [COMPANY NAME] WILL CHANGE ALSO. THE FOLLOWING OUTLINE BRIEFLY DESCRIBES THE MODIFICATIONS IN MEDICARE AND IN YOUR MEDICARE SUPPLEMENT COVERAGE. PLEASE READ THIS CAREFULLY!

[A BRIEF DESCRIPTION OF THE REVISIONS TO MEDICARE PARTS A & B WITH A PARALLEL DESCRIPTION OF SUPPLEMENTAL BENEFITS WITH SUBSEQUENT CHANGES, INCLUDING DOLLAR AMOUNTS, PROVIDED BY THE MEDICARE SUPPLEMENT COVERAGE IN SUBSTANTIALLY THE FOLLOWING FORMAT.]

SERVICES	MEDICARE BENEFITS	YOUR MEDICARE SUPPLEMENT COVERAGE	
Medicare Now Pays Per Calendar Year	Effective 1/1/90 Medicare Will Pay Per Calendar Year	Your Coverage Now Pays Per Calendar Year	Effective 1/1/90 Your Coverage Will Pay Per Calendar Year

**MEDICARE PART A—SERVICES AND SUPPLIES**

Unlimited number of hospital days after \$560 deductible

**SKILLED NURSING FACILITY CARE**

There is no prior confinement requirement for this benefit

First 8 days—All but \$25.50 a day

9th through 150th day—100% of costs

Beyond 150 days—Nothing

**MEDICARE PART B—SERVICES AND SUPPLIES**

80% of allowable charges (after \$75 deductible)	80% of allowable charges (after \$75 deductible) until an annual Medicare Catastrophic Limit* is met. 100% of allowable charges for the remainder of the calendar year. The limit in 1990 is \$1,370 and will be adjusted on an annual basis
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**PRESCRIPTION DRUGS**

Inpatient prescription drugs, 80% of allowable charges for immunosuppressive therapy drugs during the first year following covered transplant

Inpatient prescription drugs, 80% of allowable charges for home intravenous (IVM) therapy drugs and 50% of allowable charges for immunosuppressive drugs after (\$550 in 1990) calendar year deductible is met

## Emergency Rules

\*Expenses that you must pay out-of-pocket and that count toward the Part B Medicare Catastrophic Limit include: the Part B deductible and copayment charges and the Part B blood deductible charges.

[ANY ADDITIONAL BENEFITS]

[Describe any coverage provisions changing due to Medicare modifications.]

[Include information about premium adjustments that may be necessary due to changes in Medicare benefits, or when premium changes, information will be sent.]

THIS CHART SUMMARIZING THE CHANGES IN YOUR MEDICARE BENEFITS AND IN YOUR MEDICARE SUPPLEMENT PROVIDED BY [COMPANY] ONLY BRIEFLY DESCRIBES SUCH BENEFITS. FOR INFORMATION ON YOUR MEDICARE BENEFITS, CONTACT YOUR SOCIAL SECURITY OFFICE OR THE HEALTH CARE FINANCING ADMINISTRATION. FOR INFORMATION ON YOUR MEDICARE SUPPLEMENT [Policy] CONTACT: [COMPANY OR FOR AN INDIVIDUAL POLICY - NAME OF AGENT][ADDRESS/PHONE NUMBER]

**2741.0260 [Emergency] NOTICE OF 1991 CHANGES.**

[COMPANY NAME]

### NOTICE OF CHANGES IN MEDICARE AND YOUR MEDICARE SUPPLEMENT COVERAGE—1991

YOUR HEALTH CARE BENEFITS PROVIDED BY THE FEDERAL MEDICARE PROGRAM WILL CHANGE BEGINNING January 1, 1991. ADDITIONAL CHANGES WILL OCCUR IN MEDICAL BENEFITS IN FOLLOWING YEARS. THE MAJOR CHANGES ARE SUMMARIZED BELOW. THESE CHANGES WILL AFFECT HOSPITAL, MEDICAL, AND OTHER SERVICES AND SUPPLIES PROVIDED UNDER MEDICARE. BECAUSE OF THESE CHANGES, YOUR MEDICARE SUPPLEMENT COVERAGE PROVIDED BY [COMPANY NAME] WILL CHANGE ALSO. THE FOLLOWING OUTLINE BRIEFLY DESCRIBES THE MODIFICATIONS IN MEDICARE AND IN YOUR MEDICARE SUPPLEMENT COVERAGE. PLEASE READ THIS CAREFULLY!

[A BRIEF DESCRIPTION OF THE REVISIONS TO MEDICARE PARTS A & B WITH A PARALLEL DESCRIPTION OF SUPPLEMENTAL BENEFITS WITH SUBSEQUENT CHANGES, INCLUDING DOLLAR AMOUNTS, PROVIDED BY THE MEDICARE SUPPLEMENT COVERAGE IN SUBSTANTIALLY THE FOLLOWING FORMAT.]

Medicare Now Pays Per Calendar Year	Effective 1/1/90 Medicare Will Pay Per Calendar Year	Your Coverage Now Pays Per Calendar Year	Effective Your Coverage Will Pay Per Calendar Year
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#### MEDICARE PART A—SERVICES AND SUPPLIES

Unlimited number of hospital  
days after \$( ) deductible

#### SKILLED NURSING FACILITY CARE

There is no prior confinement  
requirement for this benefit

First 8 days—All but \$( ) a day

9th through 150th day—100%  
of costs

Beyond 150 days—Nothing

Medicare Now Pays Per Calendar Year	Effective 1/1/91 Medicare Will Pay Per Calendar Year	Your Coverage Now Pays Per Calendar Year	Effective 1/1/91 Your Coverage Will Pay Per Calendar year
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#### MEDICARE PART B—SERVICES AND SUPPLIES

80% of allowable charges (after \$75 deductible) until an annual Medicare Catastrophic Limit* is met. 100% of allowable charges for the remainder of the calendar year. The limit in 1990 is \$1,370 and will be adjusted on an annual basis	80% of allowable charges (after \$75 deductible) until an annual Medicare Catastrophic Limit* is met. 100% of allowable charges for the remainder of the calendar. The limit in 1991 is \$( ) and will be adjusted on an annual basis
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#### PRESCRIPTION DRUGS

Inpatient prescription drugs. Same as 1990 and 50% of

80% of allowable charges for home IV therapy drugs and  
50% of allowable charges for immunosuppressive drugs after  
a \$550 calendar year deductible is met.

allowable charges for all other  
outpatient prescription drugs  
\$600 calendar year deductible  
is met

\*Expenses that you must pay out-of-pocket and that count toward Part B Medicare Catastrophic Limit include: the Part B deductible and copayment charges and the Part B blood deductible charges.

[ANY ADDITIONAL BENEFITS]

[Describe any coverage provisions changing due to Medicare modifications.]

[Include information about premium adjustments that may be necessary due to changes in Medicare benefits, or when premium changes, information will be sent.]

THIS CHART SUMMARIZING THE CHANGES IN YOUR MEDICARE BENEFITS AND IN YOUR MEDICARE SUPPLEMENT PROVIDED BY [COMPANY] ONLY BRIEFLY DESCRIBES SUCH BENEFITS. FOR INFORMATION ON YOUR MEDICARE BENEFITS CONTACT YOUR SOCIAL SECURITY OFFICE OR THE HEALTH CARE FINANCING ADMINISTRATION. FOR INFORMATION ON YOUR MEDICARE SUPPLEMENT [Policy] CONTACT: [COMPANY OR FOR AN INDIVIDUAL POLICY - NAME OF AGENT][ADDRESS/PHONE NUMBER]

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## Official Notices

Pursuant to the provisions of Minnesota Statutes § 14.10, an agency, in preparing proposed rules, may seek information or opinion from sources outside the agency. Notices of intent to solicit outside opinion must be published in the *State Register* and all interested persons afforded the opportunity to submit data or views on the subject, either orally or in writing.

The *State Register* also publishes other official notices of state agencies, notices of meetings, and matters of public interest.

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## Minnesota State Board of Electricity

### Notice of Monthly Meetings

The monthly meetings of the State Board of Electricity are held on the second Tuesday of each month at 10:00 A.M. in the Board's office in the Griggs Midway Building at 1821 University Avenue, Room S 173, St. Paul, Minnesota 55104.

## Environmental Quality Board

### Notice of Solicitation of Outside Information or Opinions Regarding Proposed Rules Governing Release of Genetically Engineered Organisms into the Environment

NOTICE IS HEREBY GIVEN that the Minnesota Environmental Quality Board is seeking information or opinions from sources outside the Minnesota Environmental Quality Board in preparing proposed rules for the release of genetically engineered organisms into the outside environment not otherwise regulated by Minnesota. Adoption of rules is mandated by *Minnesota 1989 Session Laws*, Chapter 346, Sections 2 through 7.

The Minnesota Environmental Quality Board requests information and opinions on this matter. Material may be submitted in writing to:

Sheldon Mains  
300 Centennial Office Building  
658 Cedar Street  
St. Paul, Minnesota 55155

Oral statements will be received during regular business hours by phone at 612/297-2376 or in person at the above address.

## Official Notices

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All statements of information and opinions shall be accepted until 4:00 p.m., January 17, 1990. Any written material received by the Minnesota Environmental Quality Board shall become part of the rulemaking record to be submitted to the attorney general or administrative law judge in the event that the rule is adopted.

This rule making will include use of the EQB Advisory Committee on Genetically Engineered Organisms. Notice of vacancies on that committee is included in this issue of the *State Register*.

Dated: 20 July 1989

Jack Ditmore, Chair  
Minnesota Environmental Quality Board

## Environmental Quality Board

### Notice of Vacancies on the EQB Advisory Committee on Genetically Engineered Organisms

The Minnesota Environmental Quality Board is seeking applications for membership on its Advisory Committee on Genetically Engineered Organisms. The advisory committee, mandated by *Minnesota 1989 Session Laws* Chapter 346, Section 4, will advise the Board on:

Agency rules implementing the 1989 legislation requiring a permit from the EQB for all environmental releases of genetically engineered organisms not otherwise permitted by the state and requiring an Environmental Assessment Worksheet for all releases into the environment;

Research needed for adequate regulation of field trials of genetically engineered organisms; and

Other issues involving genetically engineered organisms as requested by the Minnesota Environmental Quality Board.

Application forms are available from:

Sheldon Mains  
300 Centennial Office Building  
658 Cedar Street  
St. Paul, Minnesota 55155

Phone requests for application forms will be taken during regular business hours at 612/297-2376. Applications can also be obtained from the Minnesota Secretary of State's Office, 612/297-5845.

Applications must be returned by August 29, 1989 to the above address or to Open Appointments, Secretary of State, 180 State Office Building, 100 Constitution Avenue, St. Paul, Minnesota 55155.

Dated: 20 July 1989

Jack Ditmore, Chair  
Minnesota Environmental Quality Board

## Department of Health

### Maternal and Child Health Division

### Notice of Solicitation of Outside Information and Opinions Regarding the Fiscal Year 1990 Minnesota State Plans for the Special Supplemental Food Program for Women, Infants and Children (WIC Program) and for the Commodity Supplemental Food Program for Mothers and Children (MAC) carried out by the United States Department of Agriculture

NOTICE IS HEREBY GIVEN that the Minnesota Department of Health is seeking information and opinions from sources outside the department in the preparation of the Fiscal Year 1990 State Plans for the Special Supplemental Food Program for Women, Infants and Children (WIC Program) and for the Commodity Supplemental Food Program for Mothers and Children (MAC). Copies of the draft Plans are available for public inspection by telephoning (612) 623-5266.

Interested persons or groups may submit data or views on the subject matter of the Plans in writing or orally. Written statements



should be addressed to Pati Maier, State WIC Administrator, Minnesota Department of Health, 717 S.E. Delaware Street, P.O. Box 9441, Minneapolis, MN 55440. Oral statements will be received during regular business hours over the telephone at the above telephone number and in person at the above address.

All statements of information and opinions shall be accepted until 4:30 p.m., August 31, 1989. Any written material received by the Minnesota Department of Health shall become part of the Plan record subject to inspection by the United States Department of Agriculture.

## **Metropolitan Local Water Management Task Force**

### **Notice of Meeting Schedule**

The Metropolitan Local Water Management Task Force established by Article 9 of Chapter 326, *Laws of 1989*, will meet on the first and third Wednesdays of August and September, 1989. Meetings will be held beginning at 1:00 p.m. in Room 5 of the State Office Building, 100 Constitution Avenue, St. Paul, MN 55155. The Task Force will determine its meeting schedule for October, November, and December at a later date.

For more information contact Mel Sinn, Board of Water and Soil Resources, 155 South Wabasha Street, Suite 104, St. Paul, MN 55107, Telephone (612) 297-2622.

## **Regional Transit Board**

### **Public Hearing on 1990 Budget**

The Regional Transit Board will hold a public hearing on Monday, August 14, 1989 at 4:00 p.m. on the 1st floor Mears Park Centre, 230 E. 5th Street, St. Paul, MN. 55101 on its draft 1990 Budget. The 1990 Budget is developed pursuant to the requirements of *Minnesota Statutes*, Sections 483.38 (IRTB Budget) and 437.163 (Metropolitan Agency Budget Preparation; Review and Approval). Interested persons are encouraged to attend this hearing and offer public comment. Interpreters will be provided. Please call Mary Fitzgerald, board secretary, if you wish to speak at the public hearing. You may also sign up at the hearing. The 1990 Budget may be obtained or examined at the Regional Transit Board offices, 7th floor, Mears Park Centre, 230 E. 5th Street, St. Paul, MN. 55101, telephone: 292-8789.

Elliot Perovich  
Chairman

## **Department of Labor & Industry**

### **Labor Standards Division**

### **Notice of Prevailing Wage Determinations for Commercial Projects**

On August 1, 1989 the commissioner certified prevailing wage rates for commercial construction projects in the following Minnesota counties: **AITKIN, BECKER, BELTRAMI, CARLTON, CASS, CLAY, CLEARWATER, COOK, CROW WING, HUBBARD, ITASCA, KITTSON, KOOSKIPING, LAKE, LAKE OF WOODS, MAHOMEN, MARSHALL, NORMAN, OTTERTAIL, PENNINGTON, POLK, REDLAKE, ROSEAU, ST. LOUIS, WADENA, WILKIN.**

A copy of the determined wage rates for Minnesota counties may be obtained by contacting the Minnesota Department of Labor and Industry, Prevailing Wage Section, 443 Lafayette Road, St. Paul, Minnesota 55155. The charges for the cost of copying and mailing are \$.50 for the first county and \$.30 for any subsequent copies of the same or other counties. The cost of the above counties will be \$15.00. A sales tax of 6% must be added to all orders.

A check or money order payable to the State of Minnesota must accompany each request.

Ken Peterson, Commissioner  
Department of Labor and Industry

# State Contracts and Advertised Bids

Pursuant to the provisions of Minn. Stat. § 14.10, an agency must make reasonable effort to publicize the availability of any services contract or professional and technical services contract which has an estimated cost of over \$2,000.

Department of Administration procedures require that notice of any consultant services contract or professional and technical services contract which has an estimated cost of over \$10,000 be printed in the *State Register*. These procedures also require that the following information be included in the notice: name of contact person, agency name and address, description of project and tasks, cost estimate, and final submission date of completed contract proposal. Certain quasi-state agencies are exempted from some of the provisions of this statute.

Commodities contracts with an estimated value of \$15,000 or more are listed under the Procurement Division, Department of Administration. All bids are open for 7-10 days before bidding deadline. For bid specifics, time lines, and other general information, contact the appropriate buyers whose initials appear in parentheses next to the commodity for bid, by calling (612) 296-6152.

**Awards of contracts and advertised bids for commodities and printing, as well as awards of professional, technical and consulting contracts, appear in the midweek STATE REGISTER Contracts Supplement, published every Thursday. Call (612) 296-0931 for subscription information. Thank you.**

## Department of Administration: Materials Management Division

### Contracts and Requisitions Open for Bid

Call 296-2600 for information on a specific bid, or to request a specific bid.

**Commodity:** Cutting edges and blades  
**Contact:** Doug Thompson 296-3775  
**Bid due date at 2pm:** August 7  
**Agency:** Transportation Department  
**Deliver to:** Various  
**Requisition #:** 79200 03427

**Commodity:** Rubbish disposal, Ely  
**Contact:** Joyce Dehn 297-3830  
**Bid due date at 2pm:** August 7  
**Agency:** Vermillion Community College  
**Deliver to:** Ely  
**Requisition #:** Price Contract

**Commodity:** Maintenance of central control center, field gear and automatic temperature controls  
**Contact:** Joyce Dehn 297-3830  
**Bid due date at 2pm:** August 7  
**Agency:** Southwest State University  
**Deliver to:** Marshall  
**Requisition #:** Price Contract

**Commodity:** A complete line of ball and roller bearings—rebid  
**Contact:** Dale Meyer 296-3773  
**Bid due date at 2pm:** August 9  
**Agency:** Various  
**Deliver to:** Various  
**Requisition #:** Price Contract

**Commodity:** Oil change and lubrication service  
**Contact:** Dale Meyer 296-3773  
**Bid due date at 2pm:** August 9

**Agency:** Various  
**Deliver to:** Various  
**Requisition #:** Price Contract

**Commodity:** IRDS repository  
**Contact:** Bernadette Vogel 296-3778  
**Bid due date at 2pm:** August 10  
**Agency:** Administration  
**Deliver to:** St. Paul  
**Requisition #:** 02411 03051

**Commodity:** Tractors w/mowers—Rebid  
**Contact:** Mary Jo Bruski 296-3772  
**Bid due date at 2pm:** August 4  
**Agency:** Transportation  
**Deliver to:** Oakdale and Golden Valley  
**Requisition #:** 79382 01646 1

**Commodity:** Dump truck  
**Contact:** Mary Jo Bruski 296-3772  
**Bid due date at 2pm:** August 4  
**Agency:** IRR & RB  
**Deliver to:** Eveleth  
**Requisition #:** 43000 11202

**Commodity:** Arboretum lighting  
**Contact:** Joan Breisler 296-9071  
**Bid due date at 2pm:** August 4  
**Agency:** State University  
**Deliver to:** Mankato  
**Requisition #:** 26071 19168

**Commodity:** Rubbish disposal—St. Peter

**Contact:** Joyce Dehn 297-3830  
**Bid due date at 2pm:** August 4  
**Agency:** Regional Treatment Center  
**Deliver to:** St. Peter  
**Requisition #:** Price Contract

**Commodity:** Rubbish disposal—Anoka  
**Contact:** Joyce Dehn 297-3830  
**Bid due date at 2pm:** August 4  
**Agency:** Regional Treatment Center  
**Deliver to:** Anoka  
**Requisition #:** Price Contract

**Commodity:** Pleated shades, draperies and install  
**Contact:** Linda Parkos 296-3725  
**Bid due date at 2pm:** August 3  
**Agency:** Academy for the Deaf  
**Deliver to:** Faribault  
**Requisition #:** 37001 09016

**Commodity:** Emulation software and adapters  
**Contact:** Bernadette Vogel 296-3778  
**Bid due date at 2pm:** August 7  
**Agency:** Administration  
Department: InterTechnologies Group  
**Deliver to:** St. Paul  
**Requisition #:** 02410 02024

**Commodity:** Engine oil analysis  
**Contact:** Jim Johnson 296-3779  
**Bid due date at 2pm:** August 8  
**Agency:** Various  
**Deliver to:** Various  
**Requisition #:** Price Contract

## State Contracts and Advertised Bids

**Commodity:** Clipping service  
**Contact:** Joyce Dehn 297-3830  
**Bid due date at 2pm:** August 8  
**Agency:** North Hennepin Community College

**Deliver to:** Minneapolis  
**Requisition #:** Price Contract

**Commodity:** Linen service  
**Contact:** Joyce Dehn 297-3830  
**Bid due date at 2pm:** August 8  
**Agency:** Rainy River Community College

**Deliver to:** International Falls  
**Requisition #:** Price Contract

**Commodity:** Telephones: cellular and applicable service

**Contact:** Pat Anderson 296-3770  
**Bid due date at 2pm:** August 8  
**Agency:** Various  
**Deliver to:** Various  
**Requisition #:** Price Contract

**Commodity:** Epoxy terrazzo  
**Contact:** Pam Anderson 296-1053  
**Bid due date at 2pm:** August 9  
**Agency:** Community College  
**Deliver to:** Minneapolis  
**Requisition #:** 27000 10223

**Commodity:** Stage lighting and control system

**Contact:** Joan Breisler 296-9071  
**Bid due date at 2pm:** August 9  
**Agency:** Mesabi Community College  
**Deliver to:** Virginia  
**Requisition #:** 27000 50101

**Commodity:** Roof repair  
**Contact:** Joyce Dehn 297-3830  
**Bid due date at 2pm:** August 9  
**Agency:** Southwest State University  
**Deliver to:** Marshall  
**Requisition #:** Price Contract

**Commodity:** Laundry service  
**Contact:** Joyce Dehn 297-3830  
**Bid due date at 2pm:** August 9

**Agency:** Health Department  
**Deliver to:** Minneapolis  
**Requisition #:** Price Contract

**Commodity:** Purchase of copiers  
**Contact:** Teresa Ryan 296-7556  
**Bid due date at 2pm:** August 1  
**Agency:** Natural Resources  
**Deliver to:** St. Paul  
**Requisition #:** 29000 52386

**Commodity:** De-install 3081 computer  
**Contact:** Bernadette Vogel 296-3778  
**Bid due date at 2pm:** August 3  
**Agency:** Administration Department: InterTechnologies Group  
**Deliver to:** Rochester  
**Requisition #:** 02410 02031

**Commodity:** Fixtures  
**Contact:** Joan Breisler 296-9071  
**Bid due date at 2pm:** August 4  
**Agency:** Conservation Development  
**Deliver to:** Minneapolis  
**Requisition #:** 02310 16983

**Commodity:** Painting  
**Contact:** Pam Anderson 296-1053  
**Bid due date at 2pm:** August 4  
**Agency:** Correctional Facility  
**Deliver to:** St. Cloud  
**Requisition #:** 78830 09975

**Commodity:** Plumbing supplies  
**Contact:** Mary Jo Bruski 296-3772  
**Bid due date at 2pm:** August 4  
**Agency:** Correctional Facility  
**Deliver to:** Oak Park Heights  
**Requisition #:** 02308 03147

**Commodity:** Penetrant sealer  
**Contact:** Joan Breisler 296-9071  
**Bid due date at 2pm:** August 7  
**Agency:** Transportation Department  
**Deliver to:** Rochester  
**Requisition #:** 79600 04136

**Commodity:** Dictation equipment  
**Contact:** John Bauer 296-2621  
**Bid due date at 2pm:** August 7

**Agency:** Correctional Facility  
**Deliver to:** Faribault  
**Requisition #:** 78790 00284

**Commodity:** Lighting system/theatrical  
**Contact:** Joan Breisler 296-9071  
**Bid due date at 2pm:** August 8  
**Agency:** School & Resource Center for the Arts  
Golden Valley  
**Deliver to:** 25000 02066

**Commodity:** Photo I.D. system  
**Contact:** Joan Breisler 296-9071  
**Bid due date at 2pm:** August 8  
**Agency:** State University  
**Deliver to:** Bemidji  
**Requisition #:** 26070 13842

**Commodity:** Amatrol computer integrated manufacturing system  
**Contact:** Bernadette Vogel 296-3778  
**Bid due date at 2pm:** August 7  
**Agency:** State University  
**Deliver to:** Mankato  
**Requisition #:** 26071 19185

**Commodity:** ASAP Computer System  
**Contact:** Bernadette Vogel 296-3778  
**Bid due date at 2pm:** August 8  
**Agency:** Community College System  
**Deliver to:** St. Paul  
**Requisition #:** 27000 51261

**Commodity:** Scanners  
**Contact:** Bernadette Vogel 296-3778  
**Bid due date at 2pm:** August 8  
**Agency:** Community College Board  
**Deliver to:** Various  
**Requisition #:** 27000 51260

**Commodity:** Toshiba Laptop Computer  
**Contact:** Bernadette Vogel 296-3778  
**Bid due date at 2pm:** August 8  
**Agency:** Revenue  
**Deliver to:** St. Paul  
**Requisition #:** 67370 23050

## Department of Administration: Print Communications Division

Printing vendors for the following printing contracts must review contract specifications in printing buyers office at 117 University Avenue, Room 134-B, St. Paul, MN.

**Commodity:** *Commerce Contact* newsletter, 89M per issue quarterly, 356 M total 11" x 17" folded to

8½" x 5½", number of pages varies, type to set, saddle  
**Contact:** Printing Buyer's Office

**Bids are due:** August 9  
**Agency:** Commerce Department  
**Deliver to:** St. Paul  
**Requisition #:** 0258

## Non-State Public Contracts

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The *State Register* also serves as a central marketplace for contracts let out on bid by the public sector. The *Register* meets state and federal guidelines for statewide circulation of public notices. Any tax-supported institution or government jurisdiction may advertise contracts and requests for proposals from the private sector.

It is recommended that contracts and RFPs include the following: 1) name of contact person; 2) institution name, address, and telephone number; 3) brief description of project and tasks; 4) cost estimate; and 5) final submission date of completed contract proposal. Allow at least three weeks from publication date (four weeks from date article is submitted for publication). Surveys show that subscribers are interested in hearing about contracts for estimates as low as \$1,000. Contact the editor for further details.

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## Metropolitan Council

### Invitation for Sealed Bids for Interior Construction

The Metropolitan Council is seeking a contractor to perform construction work on four interior remodeling projects at its Mears Park Centre offices. These projects involve conversion of an existing balcony and conference room into a new, enlarged conference room and small press room; enlarge an audio/visual room; relocate an office door; and extend a half wall to full height.

Specifications for this construction work may be obtained by contacting Andy Parker, Facilities Coordinator, at (612) 291-6434. Specifications will be available July 31, 1989. A pre-bid conference and walk-through will be held at the Council's offices on August 10, 1989, at 10 a.m. in conference room 2A. Contractors are required to attend this session to be eligible to submit a bid. Please call Mr. Parker to register for the session.

All sealed bids received no later than 5 p.m. on August 24, 1989, will be considered by the Council. The Council's purchasing officer will open the sealed bids at the Council's offices on August 25, 1989, at 10 a.m. The successful bidder will be notified in writing within 10 days following approval of the bid.

All sealed bids will be addressed to:

Metropolitan Council  
Mears Park Centre  
230 E. Fifth St.  
St. Paul, MN 55101  
Attn: Andy Parker

All sealed bids shall be marked:

"Bid Proposal for Construction Work Inside"

## Professional, Technical & Consulting Contracts

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## Department of Administration

### Information Policy Office

### Request for Proposals for a Study of ESV Regions Services and Administrative Structure

The Department of Administration, Information Policy Office wishes to retain a consultant to conduct a study for the ESV Computer Council. The 1989 legislature directed the ESV Computer Council, through the Information Policy Office, to study and evaluate the current structure of regional management information centers.

The goals of this request for proposals, as stated in the legislation, is to complete a study producing the following deliverables.

1. Summarize and compare the current structure, service and cost of each ESV Region.

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## Professional, Technical & Consulting Contracts

2. Recommend, with supporting documentation, the number and location of data processing and service centers.
3. Recommend and provide supporting documentation for the number and location of service centers and their relationship to the Departments of Education and Administration.
4. Explain and provide documentation for the relationship of ESV Regions with Educational Cooperative Services Units (ECSUs) and other regional administrative units.
5. Recommend uses by data processing and service units for the existing or developing state telecommunications networks as currently under consideration by the Department of Administration.
6. Recommend the future role of the ESV Computer Council in implementing the above recommendations.

In addition to the above goals, the ESV Computer Council has stated the purpose of the study is to review, identify, and compare the cost effective approaches to data dissemination, staff training, guidance and service among and between school districts as required by the Uniform Financial Accounting and Financial Reporting Standards (UFARS) (*Minnesota Statutes* 121.930) and specified in the Integrated Data Base (IDB) essential data elements (*Minnesota Statutes* 121.932, Subd. 5). The prospective contractor should have a thorough understanding of the current school district data processing procedures and requirements and UFARS.

The project would begin after Information Policy Office review and selection by the project evaluation team which will be named later. The consultant should be able to begin on or about August 15, 1989 after a contract for services is negotiated and executed. The contract will be in force until February 1990, the beginning of the next legislative session when the report on the study is due. The contract will not exceed the sum of \$50,000 and all deliverables mentioned above must be submitted in final draft form to the Information Policy Office by November 1989. Time is of the essence in this engagement.

Proposals must be received by the Information Policy Office by 4:30 p.m., August 14, 1989. Late proposals, without exception, will not be considered. Proposals must describe the qualifications of the consultant relevant to the contract requirements and describe the methodology and workplan proposed. Weekly progress report meetings with the Information Policy Office and the project evaluation team will be a requirement. Project process and deliverables must be consistent with the information management process described in the Information Policy Office's Management Information Guidelines.

Submit ten copies of the proposal by 4:30 p.m., August 14, 1989 to:

Stephen Gustafson  
Grants Administrator  
Department of Administration  
Information Policy Office  
50 Sherburne Avenue—Room 309  
Saint Paul, MN 55155  
Telephone: 612/296-2262

Dated: 24 July 1989

## Department of Agriculture

### Plant Industry Division

#### Notice of Request for Proposals to Conduct a Study of Problems Facing Urban Forests

The Minnesota Department of Agriculture (MDA) and the State Shade Tree Advisory Committee (SSTAC) are requesting proposals from qualified contractors to conduct a study of shade trees and energy savings, and to produce a report giving recommendations for preserving and planting Minnesota's urban and community forests. The contractor will work with a multi-agency steering committee of SSTAC members.

A maximum of \$15,000 is available to conduct the study and produce the report. Reproduction and distribution of the report will be the responsibility of MDA. Proposals must be submitted to Dwight Robinson no later than 4:30 p.m., August 25, 1989.

For a copy of the Request for Proposals contact:

Dwight Robinson  
Minnesota Department of Agriculture  
Plant Industry Division  
90 West Plato Boulevard  
St. Paul, MN 55107-2094  
(612) 296-8578

## State Designer Selection Board

### Request for Proposal for Four Projects

#### To Registered Professional in Minnesota:

The State Designer Selection Board has been requested to select designer for four projects. Design firms who wish to be considered for this project should submit proposals on or before 4:00 P.M., August 22, 1989, to George Iwan, Executive Secretary, State Designer Selection Board, Room G-10, Administration Building, St. Paul, Minnesota 55155-1495.

#### The proposal must conform to the following:

- 1) Six copies of the proposal will be required.
- 2) All data must be on 8½" × 11" sheets, soft bound.
- 3) The cover sheet of the proposal must be clearly labeled with the project number, as listed in number 7 below, together with the designer's firm name, address, telephone number and the name of the contact person.

#### 4) Mandatory Proposal contents in sequence:

- a) Identity of firm and an indication of its legal status, i.e. corporation, partnership, etc. If the response is from a joint venture, this information must be provided for firms comprising the joint venture.
- b) Names of the persons who would be directly responsible for the major elements of the work, including consultants, together with brief descriptions of their qualifications. If desired, identify roles that such persons played in projects which are relevant to the project at hand.
- c) A commitment to enter the work promptly, if selected, by engaging the consultants, and assigning the persons named 4b above along with adequate staff to meet the requirements of work.
- d) A list of State and University of Minnesota current and past commissions under contract or awarded to the prime firm(s) submitting this proposal during the three (3) years immediately preceding the date of this request for proposal. The prime firm(s) shall **list and total** all fees associated with these projects whether or not the fees have been received or are anticipated. In addition, the prime firm(s) shall indicate the amount of fees listed which were paid directly to engineers or other specialty consultants employed on the projects listed pursuant to the above.
- e) A section containing graphic material (photos, plans, drawings, etc.) as evidence of the firm's qualification for the work. The graphic material must be identified. It must be work in which the personnel listed in "c" have had significant participation and their roles must be clearly described. It must be noted if the personnel named were, at the time of the work, employed by other than their present firms.

The proposal shall consist of no more than twenty (20) faces. Proposals not conforming to the parameters set forth in this request will be disqualified and discarded without further examination.

#### 5) Statutory Proposal Requirements:

In accordance with the provisions of *Minnesota Statutes*, 1981 Supplement, Section 363.073; for all contracts estimated to be in excess of \$50,000.00, all responders having more than 20 full-time employees at any time during the previous 12 months must have an affirmative action plan approved by the Commissioner of Human Rights before a proposal may be accepted.

#### The proposal will not be accepted unless it includes one of the following:

- a) A copy of your firm's current certificate of compliance issued by the Commissioner of Human Rights; or
  - b) A statement certifying that the firm has a current certificate of compliance issued by the Commissioner of Human Rights;
- or
- c) A statement certifying that the firm has not had more than 20 full-time employees in Minnesota at any time during the previous 12 months; or
  - d) A statement certifying that the firm has an application pending for a certificate of compliance.
- 6) Design firms wishing to have their proposals returned after the Board's review must follow one of the following procedures:
- a) Enclose a self-addressed stamped postal card with the proposals. Design firms will be notified when material is ready to be picked up. Design firms will have two (2) weeks to pick up their proposals, after which time the proposals will be discarded; or
  - b) Enclose a self-addressed stamped mailing envelope with the proposals. When the Board has completed its review, proposals will be returned using this envelope.

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## Professional, Technical & Consulting Contracts

In accordance with existing statute, the Board will retain one copy of each proposal submitted.

Any questions concerning the Board's procedures or their schedule for the project herein described may be referred to George Iwan at (612) 296-4656.

### 7a) PROJECT—29-89

Integrated Waste Management Facility  
University of Minnesota—Twin Cities Campus

**PROJECT DESCRIPTION:** The integrated waste management facility will provide receiving, analysis, treatment, holding, and shipping facilities for normal program generated specialized waste materials that cannot be disposed of in ordinary refuse disposal systems. The facility will be the operations center for response to threats to personnel safety in connection with handling and use of the materials at the Twin Cities campuses.

Permits from all regulatory agencies will be applied for in the planning stage of development. Periodic reviews with the agencies will be required so as to allow the agencies to approve the permits when design is complete without delays. The facility will be a concrete and/or masonry building encompassing approximately 40,000 gross square feet.

The estimated preliminary construction cost of the facility is \$5,450,000.00

Questions concerning this project may be referred to Clinton Hewitt at (612) 625-7355.

### 7b PROJECT—30-89

Building Renovation  
Brainerd Regional Human Services Center  
Brainerd, Minnesota  
**Estimated Construction Cost:** \$1,300,000.00

**General Description of Project:** Renovate existing space at Brainerd Regional Human Services Center to meet nursing home licensure standards.

**Project Details:** This project will involve the remodeling and reconfiguration of an existing building(s) to provide space for the following: Administration and staff, i.e., information, admissions, conference rooms, staff offices, etc., visitation areas and public rest rooms; mechanical systems and building maintenance; single and double resident rooms, nursing stations, nourishment/medication stations, bathing rooms, storage areas for program supplies and equipment; rehabilitative facilities, program and activity areas; medical examination and treatment areas; general storage (to include clean and soiled linen storage) and laundry areas; and space for dietary services, resident dining, and unit kitchens.

This project will also involve the installation of a nurse call system; security devices, and fire safety systems; improvements to the heating, ventilating, and air conditioning systems; the upgrading and/or modernization of other building components (i.e., floor and wall coverings, ceiling materials, lighting, doors, windows, etc.); and the purchase/installation of program equipment in accordance with rules, regulations, and licensure standards governing the operation of a skilled nursing facility for long term care.

**Work to be Performed by the Designer:** The work for this project will include planning, programming and designing the renovation of existing space; the preparation of drawings, specifications and related documents, to include bidding documents; presiding at the bid opening; the handling of contract documents; the general supervising of the construction work for the owner; assisting in the preparation of supplemental agreements; review and approval of shop drawings and payment requests; and assisting in final acceptance of the work.

**Designer's Fee for Work:** The proposed architect/engineering fee is 7.0%.

**Designer's Qualifications:** The designer selected for this project shall have a demonstrated track record in nursing home design and construction.

### 7c) PROJECT—31-89

Building Renovation  
Fergus Falls Regional Treatment Center  
Fergus Falls, Minnesota  
**Estimated Construction Cost:** \$1,300,000.00

**General Description of Project:** Renovate Building No. 13 (and possibly a portion of Building No. 12) at Fergus Falls Regional Treatment Center to meet nursing home licensure standards.

## Professional, Technical & Consulting Contracts

**Project Details:** Building No. 13 was originally designed for ward type extended care. A majority of the building's space, including the large multi-bed wards, has since been converted to activity and program space. This project will involve the remodeling and reconfiguration of Building No. 13 (and possibly part of Building No. 12) to provide space for the following: Administration and staff, i.e., information, admissions, conference rooms, staff offices, medical records, etc.; visitation areas and public restrooms; mechanical systems and building maintenance; single and double resident rooms with toilet facilities; nursing stations, nourishment/medication stations, bathing rooms, storage areas for program supplies and equipment; rehabilitative facilities, program and activity areas; medical examination and treatment areas; general storage (to include clean and soiled linen storage); resident laundry areas; and space for dietary services, resident dining, and unit kitchens.

This project will also involve the installation of a nurses call system; security devices, and fire safety systems; improvements to the heating, ventilating, and air conditioning systems; the upgrading and/or modernization of other building components (i.e., floor and wall coverings, ceiling materials, lighting, doors, windows, etc.); and the purchase/installation of program equipment in accordance with rules, regulations, and licensure standards governing the operation of a skilled nursing facility for extended care.

**Work to be Performed by the Designer:** The work for this project will include planning, programming and designing of the renovation of Building No. 13 (and possibly portions of Building No. 12); the preparation of drawings, specifications and allied documents to include bidding documents; presiding at the bid opening; the handling of contract documents; the general supervising of the construction work for the owner; assisting in the preparation of supplemental agreements; review and approval of shop drawings and payment requests; and assisting in final acceptance of the work.

**Designers Fee for the Work:** The proposed architect/engineering fee is 7.0%.

**Designer Qualifications:** The designer selected for this project shall have a demonstrated track record in nursing home design/construction.

### 7d) PROJECT—32-89

Renovation and New Construction of Psychiatric Facilities

Anoka-Metro Regional Treatment Center

Anoka, Minnesota

**Estimated Construction Cost:** \$30,000,000.00

**Description of Project:** Project consists of planning, programming, designing (through schematic phase), and estimating costs for recapitalization of Anoka-Metro Regional Treatment Center's psychiatric health care program facilities, including all related residential, program, ancillary and support facilities.

**Project Details:** In the early 1900's the Minnesota State Legislature established a hypothecators program for the Minneapolis/St. Paul metro area at Anoka, Minnesota. This facility is now known as the Anoka-Metro Regional Treatment Center (A-MRTC). A majority of A-MRTC's current hypothecators treatment program is housed in buildings which were constructed for the original program. These facilities are old, inadequate and not readily adaptable to modern hypothecators treatment requirements. In addition, the need for state operated hypothecators beds in the twin city metro area currently exceeds A-MRTC's capacity.

The State Legislature appropriated funds during the 1989 legislative session to A) plan, program, and design (through schematic phase) major improvements to the Anoka facility, and B) to evaluate the need for additional security beds in the metropolitan area.

The designer selected for this project will work with personnel from A-MRTC, the Department of Human Services, Department of Administration, other state/local government agencies, and consultants from the State Mental Health Advisory Council. The designer's responsibilities will include, but may not be limited to, development of the following:

1. A project work plan.
2. Project goals and objectives.
3. An analysis of need, based on appropriate demographics (from State Demographer), mental health, and forensic mental health planning techniques.
4. A comprehensive functional program which a) outlines services to be provided, including treatment programs/medical services, administrative services, operational services (plant engineering and maintenance, housekeeping, food service, warehousing, etc.) and other specialized ancillary services such as pharmacy, medical records, social services, etc.; b) considers organization, staffing, and general operating and basic patient care procedures; c) anticipates service utilization and potential service loads, and d) formulates the direction of facility development and identifies space needs required to accommodate such development.
5. A comprehensive master site development plan which considers the condition of existing buildings, utilities, and related infrastructural components; the feasibility of utilizing existing facilities for A-MRTC programs; and the potential and feasibility of alternative utilization of existing buildings or land by local, county and/or other state governmental agencies.



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## Professional, Technical & Consulting Contracts

6. Schematic designs for proposed building renovations, site/infrastructural improvements, and new construction.

7. Preliminary estimates of construction costs for related building renovations, site/infrastructural improvements, and new construction, based on current area, volume or other unit costs.

In addition, the need for additional state operated security (for mentally ill and dangerous patients) beds in the twin city metro area shall be evaluated. This evaluation shall be conducted as a separate phase of the overall recapitalization project and results shall be submitted to the owner under a separate cover.

Accordingly, the design team shall be responsible for obtaining the necessary consumer surveys; demographic analysis; psychiatric/mental health and forensic mental health consultants; engineers, technical specialists, etc., required to complete the planning, programming, schematic design and preliminary cost estimating for the renovation and new construction proposed for Anoka Metro Regional Treatment Center's physical plant.

Topographic surveys and soil analysis will be provided by the owner.

**Fee for Work:** The proposed Designer fee is \$400,000.00 for tasks outlined above.

**Designer Qualifications:** The designer selected for this project shall have considerable experience in the area of hypothecators hospital design/construction.

Questions concerning **PROJECTS—30-89, 31-89 and 32-89** may be referred to James Walker (612) 296-6919 or Alan Van Buskirk (612) 296-8982.

Bernard Jacob, Chairman  
State Designer Selection Board

## State Board of Electricity

### Notice of Request for Proposals for Independent Contract Electrical Inspectors

The Minnesota State Board of Electricity is seeking services of independent contract electrical inspectors who must hold a Class "A" Journeyman or Class "A" Master electrician's license in Minnesota to make electrical inspections in designated geographical areas. Compensation is based on a percentage of the inspection fee paid by the installer of wiring when the inspections are completed.

Presently there are no geographical areas open, but all applications submitted will be kept on file for future openings. A formal request for proposal may be requested from and other inquiries made to:

John Quinn  
Executive Secretary  
State Board of Electricity  
Griggs Midway Bldg., Room S 173  
1821 University Avenue  
St. Paul, Minnesota 55104

## Department of Finance

### Budget Division

### Notice of Request for Proposals for Biennial Budget System

The Minnesota Department of Finance is seeking proposals for enhancements and further development of the Biennial Budget System (BBS). Projects include:

- Project 90-A:** Enhancement of BBS in both data structure and screen navigation.
- Project 90-B:** Development of Fund Balance Module.
- Project 90-C:** Development of Fiscal Note Tracking System.
- Project 90-D:** Development of System for Allotment and Annual Spending Plan.

# Professional, Technical & Consulting Contracts

## Current Software and Hardware Environment

The BBS is currently operating in the following environment:

**Mainframe:** IBM 3090 Model 200E running MVS/XA Security and Control ACF2  
**Micro:** IBM (and Compatible) AT-386  
**Software:** ORACLE Version 5.1.21.8 on TSO  
**Note:** Some modules may have to be developed and tested in PC and eventually migrated to mainframe environment.

## Technical Requirements (Not Necessarily in Priority Order)

1. General knowledge of the BBS data structure;
2. Working knowledge of ORACLE RDBMS development tools: SQL\*Plus, SQL\*Forms. and RPT;
3. Working knowledge of MVS/TSO CLIST, JCL;
4. Working knowledge of ORACLE running on PC and migration process to mainframe.

## Special Information

For further information and request for RFP:

Dam Nguyen, BBS Project Administrator  
Minnesota Department of Finance  
400 Centennial Building  
658 Cedar Street  
St. Paul, Minnesota 55155  
# (612) 296-2531

## Department of Health

### Request for Proposals to Develop and Conduct Annual Community Health Conference

The Minnesota Department of Health will develop and conduct an annual Community Health Conference for county commissioners, community health board members, state and local Community Health Services Advisory Committee members, and State and local public health staff. This conference is scheduled August 22-24, 1990 at Madden's Resort. The Department is requesting proposals for program planning services to develop, administer, and evaluate this conference. This includes, but is not limited to: staffing a planning committee, developing program content and securing presenters, making all physical arrangements with hosting facility, conducting and overseeing the registration process, insuring the conference support services run smoothly, and developing all written materials and correspondence.

This Request for Proposal does not obligate the State to complete the project and the State reserves the right to cancel the solicitation if it is considered to be in its best interest.

#### A. Scope of Project

The contractor will provide a full range of services required for the planning and administration of the 1990 Annual Community Health Conference scheduled for August 22-24, 1990, at Madden's Resort near Brainerd, Minnesota. Following the conference, the contractor will provide a final report, including conference evaluation results in a format specified by the State, publicity tracking information and participant report, a review of any special features of the conference, an evaluation of the facility, and a budget/expenditures report.

#### B. Goal

To assist Community Health Boards in the development, administration, and implementation of community health services (*Minnesota Statutes* 145A.12, subd. 1).

#### C. Project Tasks

1. Staff four to six meetings of the Conference Planning Work Group. This includes, but is not limited to, preparing meeting agendas, meeting minutes, and providing staff progress reports.
2. Conduct the conference site selection process by identifying potential conference sites, preparing a "Request for Bids," receiving bids, preparing standardized bid summaries for work group discussion and advising the State on the conference site selection.

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## Professional, Technical & Consulting Contracts

3. Develop a conference budget and recommend a registration fee. The budget shall cover all direct conference costs, including meals, breaks, honoraria/expense reimbursements for speakers, Commissioner's reception, audio-visual equipment, registration processing fee, and other direct expenses pertaining to the Conference.
4. Develop program content for the Annual Conference as determined by the State.
5. Identify, contact, and confirm speakers/presenters and moderators for the Annual Conference.
6. Conduct and oversee the registration process prior to and at the Annual Conference, including receiving, processing and acknowledging all registration payments.
7. Bills incurred for speakers' honoraria and expense reimbursements, audio-visual equipment, signs, flowers, postage, duplicating, telephone, and other direct costs associated with the operation of the Annual Conference using funds from the registrant fees collected. This does not include administrative costs for the purchase of supplies or services provided through the Minnesota Department of Health. Authorization from the State shall be obtained to the obligation or expenditure of funds.
8. Maintain a record of all income and expenses associated with the Annual Conference.
9. Prepare and distribute pre-registration materials, an Annual Conference packet containing a detailed program, an evaluation form and any other pertinent information for distribution to the registrants at the conference and any other materials necessary for implementing and conducting the Annual Conference.
10. Develop a plan for publicity and public relations for the Annual Conference with the assistance of the planning work group and following the approval of the State.
11. Provide on-site staff assistance to the work group, registrants and others attending the conference throughout the Annual Conference.
12. Prepare and distribute name badges to registrants and others attending the Conference at the Annual Conference.
13. Insure that the Annual Conference is a continuing education activity that meets the criteria for appropriate approval bodies (nursing, environmental health and physicians), that continuing education units are awarded and that a permanent record of each registrant's participation is maintained.
14. Develop and implement an evaluation process for the Conference. Obtain suggestions for content/topics for future programs from conference participants and faculty.
15. Submit a final report on the Annual Conference to the State which includes a summarization (or summation) of the completed evaluation forms, a financial report, and recommendations for future meetings.

Responder may proposed additional tasks or activities if they will substantially improve the results of the project.

### D. Department Contacts

Prospective responders who have any questions regarding this Request for Proposal may call or write the Project Director:

Ryan Church  
Community Health Planner  
Minnesota Department of Health  
Section of Community Development  
717 Delaware Street S.E.  
P.O. Box 9441  
Minneapolis, Minnesota 55440  
Telephone: 612/623-5543

**Please note:** Other Department personnel are not allowed to discuss the project with responders before the submittal of proposal deadline.

### E. Submission of Proposals

All proposals must be sent to and received by:

Ryan Church  
Community Health Planner  
Minnesota Department of Health  
Section of Community Development  
717 Delaware Street S.E.  
P.O. Box 9441  
Minneapolis, Minnesota 55440

—Not later than 4:30 p.m., October 20, 1989.

## **Professional, Technical & Consulting Contracts**

Late proposals will not be accepted. Submit four (4) copies of the proposal. Proposals are to be sealed in mailing envelopes or packages, with the responder's name and address clearly written on the outside. Each copy of the proposal must be signed, in ink, by a member of the firm authorized to sign contracts. Prices and terms of the proposal as stated must be valid for the length of the project.

### **F. Project Costs**

The Department has estimated that the cost of this project should not exceed \$10,000.

### **G. Project Completion Date**

The project will be completed by December 31, 1990.

### **H. Proposal Contents:**

The following will be considered minimum contents of the proposal:

1. Outline the responder's background and experience with particular emphasis on local and state government work. Identify personnel who will conduct the project and detail their training and work experience. No change in personnel assigned to the project will be permitted without the approval of the Project Director.
2. Identify and describe the deliverables to be provided by the responder (see items C. 1-15 of this Request for Proposal).
3. Responder will prepare a line item cost projection and a work plan which will identify the major tasks to be accomplished.
4. Identify the level of the State's participation in the project, as well as any other services to be provided by the State.

### **I. Evaluation**

All proposals received by the deadline will be evaluated by representatives of the State. In some instances, an interview may be part of an evaluation process. Factors upon which proposals will be judged include, but are not limited to, the following:

1. Expressed understanding of project objectives.
2. Project work plan.
3. Project detail.
4. Qualifications of both company and personnel. Experience of project personnel will be given greater weight than that of the firm.

Evaluation and selection will be completed by November 3, 1989. Results will be sent immediately by mail to all responders.

### **J. Worker's Compensation**

The successful responder will be required to submit acceptable evidence of compliance with workers' compensation insurance coverage requirements prior to execution of the contracts.

## **Minnesota Higher Education Coordinating Board**

### **Notice of Request for Proposals for Collection Contractual Services**

The Minnesota Higher Education Coordinating Board (HECB) is requesting proposals from qualified collection agencies to assist in the collection of defaulted student loans.

#### **Scope of the Project**

The HECB contemplates using one or more collection agencies in the collection of defaulted student loans.

#### **Project Start and Completion Dates**

The Contract will become effective upon execution of the contract and the contract may be extended into subsequent fiscal years.

#### **Project Costs**

It is anticipated that the cost of collection services will not exceed \$100,000.00 for a fiscal year.

Those interested in receiving information and the proposed collection contract should contact:

Arlon J. Haupt  
Director of Administrative Services  
400 Capitol Square Building  
550 Cedar Street  
St. Paul, Minnesota 55101  
(612) 296-9685

Proposals will be accepted until 4:30 p.m. September 1, 1989.

## Minnesota Historical Society

### Notice of Contract Availability for Cultural Resource Survey and Planning Work

The Minnesota Historical Society is considering completing several of the cultural resource survey and planning projects outlined below, and requests proposals from qualified contractors.

1. National Register nominations for three properties and one district in Minneapolis, St. Paul, Wayzata, and Rochester.
2. National Register nominations for six properties in Stearns, Pine, Saint Louis, and Lake Counties.
3. Multiple Property Nomination Form for property types constructed under the WPA/CCC/NYA/FERA/NRA/PWA (excluding State Parks properties).
4. Multiple Property Nomination Form(s) for mid to late nineteenth century overland transportation routes (excluding Red River Trails and Old Government Roads).
5. Survey, evaluation, and National Register nomination forms for settlement period houses in Minnesota Valley Trails State Park.
6. Survey, evaluation, and National Register nomination forms for properties associated with Black Minnesotans in the Twin Cities and Duluth.
7. Survey, evaluation, and Multiple Property Nomination Form of sites of Indian land cessation treaties in the state.
8. Comprehensive plan for potential youth hostel development in Minnesota under-utilized state buildings.
9. The Office will also entertain proposals for research and limited survey work culminating in a Multiple Property Nomination Form for a category of historic property of the contractor's choice. Proposals that include National Register nominations will be preferred.

#### Required qualifications:

1. Demonstrated experience in conducting cultural resource planning, identification, evaluation, and/or registration activities in conformance with the Secretary of the Interior's Standards and Guidelines for Archaeology and Historic Preservation highly preferred.
2. Preparation of a National Register form for a property that has been placed on the Register within the last five years highly preferred.
3. A graduate degree in history, architectural history, art history, historic preservation, or closely related field; or a bachelor's degree in history, architectural history, historic preservation or closely related field plus one of the following:
  - a. At least two years of full-time experience in research, writing, teaching, interpretation, or other demonstrable professional activity with an academic institution, historical organization or agency, museum, or other professional institution, or
  - b. Substantial contribution through research and publication to the body of scholarly knowledge in the field of history or American architectural history.

These services will be provided under contract. More detailed information on each project is available for inspection by appointment at the Fort Snelling History Center during business hours. To schedule an appointment, call Michele Decker at 612-726-1171.

Proposals must contain the following:

1. Resume
2. Completed National Register form

## Professional, Technical & Consulting Contracts

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3. Narrative project proposal, including an implementation schedule. All projects must be completed within the time period 10/1/89-7/31/90; more specific limitations apply to some projects (see information files at Fort Snelling)

4. Dollar bid, including a line item breakdown of the proposed project budget. Maximum dollar amounts available, where applicable, are stated in information files at Fort Snelling.

Contractor qualifications, amount of bid, and quality of proposal will be considered in making any awards.

Qualified contractors should send proposals to: Mark Schwartz, Contract Officer, Minnesota Historical Society, 1500 Mississippi Street, St. Paul, MN 55101, no later than the close of the business day (5:00 p.m.) August 24, 1989. Late proposals will not be accepted.

Award of any of these contracts is contingent upon the availability of funds. This solicitation for proposals does not obligate the Society to complete these projects, and the Society reserves the right to cancel solicitation if it is considered to be in the Society's best interests. The Society also reserves the right to reject or accept any or all proposals and to waive any irregularities therein.

## Department of Human Services

### Notice of Availability of Contract for Consultant Services of Expert in Statistics and Probability and Actuarial Science

NOTICE IS HEREBY GIVEN that the Minnesota Department of Human Services is seeking applications for professional services from recognized experts in statistics and probability and actuarial science to consult with the Health Care Management and Health Care Support Divisions on an ongoing basis and to assist the work of these units. The contractor will provide assistance to professionals working with the Minnesota Medical Assistance (Medicaid) and General Assistance Medical Care (GAMC) programs. Assistance will include research and evaluation, rate setting, and offering testimony before the State Legislature or other formal settings if necessary.

The contract will be effective for one year beginning on or after October 1, 1989 and may be renewed thereafter, at the discretion of the Department. The total contract price will not exceed \$3,500 at an hourly rate not to exceed \$43.75.

Interested persons must submit a written response containing the following:

1. Description of professional qualifications, including:
  - education;
  - professional qualifications and experience in actuarial science, probability and statistics;
  - Academic achievement, including publications in professional journals in relevant areas of statistics and probability and actuarial science, and experience as professor or associate professor at a college or university;
  - previous consulting experience in areas of expertise;
  - experience in the insurance actuarial field;
2. A statement indicating work hours available;
3. A statement indicating the hourly payment rate required; and
4. A writing sample indicating ability to communicate technical concepts clearly to professionals in other fields.

All written responses received by the deadline will be evaluated according to the following criteria:

1. Relevant education and experience.
2. Communication skills.
3. Proposed hourly rate.

The Department may consider any previous contracting history with the State of Minnesota in selecting a contractor. Evaluation and contractor selection will be completed by September 15, 1989. All responders will receive written notice of the results. The Department is not obligated in any way by this notice and reserves the right to reject all proposals if such action is determined to be in the best interests of the Department.

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## Professional, Technical & Consulting Contracts

All written responses must be received by the Department no later than August 21, 1989. Responses and inquiries must be directed to:

Steven S. Foldes  
Research and Evaluation  
Department of Human Services  
Health Care and Residential Programs  
444 Lafayette Road  
St. Paul, Minnesota 55155-3854  
(612) 296-5504

### Department of Human Services

#### Notice of Extension of Deadline for Request for Proposals for Prepaid Health Plans

The Department of Human Services originally published a Notice of Request for Proposals, for prepaid health plans to provide services to Medical Assistance recipients, in the *State Register* on July 3, 1989. The Department is now extending the deadline one week for health plans to submit a proposal. The new deadline for submitting a complete proposal is 4:30 p.m. on August 14, 1989. An original and four copies are required. Selection of health plans will be made in August 1989. Please direct all correspondence to:

Kathleen E. Heuer  
Department of Human Services  
444 Lafayette Road  
St. Paul, MN 55155-3854  
Phone: 612/297-4668

### Department of Jobs and Training

#### Office of Services for the Blind and Visually Handicapped

#### Request for Proposals to Provide Can Pop Vending Services at Selected Interstate Rest Area Sites

The Minnesota Department of Jobs and Training, Services for the Blind and Visually Handicapped, Business Enterprises Program (BEP), desires proposals for the provision of can pop vending services at (11) selected Interstate Rest Area locations located in Greater Minnesota. These locations are divided into four separate packages but proposals will be entertained for individual, multiple or all packages. A total of (11) can pop venders are required.

Product and services will be provided under contract, and all relevant information is outlined in detail in the RFP. The formal RFP may be requested and inquiries directed to: Charles E. Hamilton, Director of Business Enterprises, Services for the Blind and Visually Handicapped, 1745 University Avenue West, St. Paul, MN, 55104-3690, (612) 642-0512. The deadline for completed proposals is the end of the business day (4:30 p.m.) 8/11/89.

### Department of Public Service

#### Energy Division

#### Request for Proposals for Publication Illustration Services

The Energy Division of the Minnesota Department of Public Service is requesting proposals from contractors to provide black and white technical drawings, schematic diagrams, graphs, charts, and general illustrations for Energy Division publications. The Division produces a number of consumer-oriented pamphlets and brochures. Contractor will be responsible for, at the Division's direction, producing camera-ready illustrations for use in these publications.

## **Professional, Technical & Consulting Contracts**

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The contract amount shall not exceed \$8,000.00. Services must be available from September 1, 1989 through June 30, 1990. This request for proposal does not obligate the State to complete the project and the State reserves the right to cancel the solicitation if it is considered to be in its best interests.

Proposals must be received by 4:00 p.m., August 15, 1989 stating services offered, hourly rate for those services and any minimum requirements. Samples of work also must be included.

All questions related to this notice and all proposals should be directed to:

Chris Gilchrist  
Energy Division  
Department of Public Service  
900 American Center Building  
150 East Kellogg Boulevard  
St. Paul, Minnesota 55101  
(612) 297-2291

## **Department of Public Service**

### **Energy Division**

#### **Notice of Request for Proposals for Contractual Services**

The Minnesota Department of Public Service, Energy Division is requesting proposals from firms interested in performing an engineering audit on energy evaluations on ice arenas.

##### **Objective:**

The objective of this contract is to evaluate the various types of refrigeration systems in use in the ice arenas in the state and to make recommendations on how these systems could be modified to conserve energy.

##### **Start and Completion Dates:**

This project will start no later than October 2, 1989 and must be completed no later than January 2, 1990.

##### **Costs:**

The maximum available funding for this contract is \$10,000.

Copies of the Request for Proposal are available from:

Narvel Somdahl  
Department of Public Service/Energy  
900 American Center Building  
150 East Kellogg Boulevard  
St. Paul, Minnesota 55101  
612/297-2117

ALL PROPOSALS MUST BE SUBMITTED TO THE DEPARTMENT OF PUBLIC SERVICE, ENERGY, NO LATER THAN 4:00 PM. AUGUST 28, 1989.

## **Department of Trade and Economic Development**

### **Communications Office, Administration Division**

#### **Request for Proposals for Audio-Visual Production**

The Department of Trade and Economic Development wishes to retain a contractor for audio-visual production services. The services of the contractor will begin Sept. 1, 1989 and end June 30, 1990. The cost of the project will not exceed \$40,000.00. The products of this contract will be one part of a broader marketing/public relations program.



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## **Professional, Technical & Consulting Contracts**

Proposals must be received by 4:30 p.m. Aug. 8, 1989. For a detailed Request for Proposals please contact the:

Communications Office  
Minnesota Department of Trade and Economic Development  
900 American Center Building  
150 East Kellogg Blvd.  
St. Paul, MN 55101  
Phone: (612) 297-1300

### **Department of Trade & Economic Development**

#### **Minnesota Amateur Sports Commission**

##### **Notice of Request for Proposal for Specialized Sport Curriculum**

The Minnesota Amateur Sports Commission (MASC) is seeking proposals from qualified individuals or firms to develop and design a specialized curriculum for sports education. Curriculum units for weekend and 7 day camp experiences are needed for the sports of soccer, track and field, cycling, weight lifting and wrestling. The individual/firm would directly report to the Executive Director of the Commission.

Interested individuals will be required to respond to all the specifications contained in the Request for Proposals and will be required to submit or outline the potential program when responding to this request.

The Request for Proposal contains detailed information. The project may be requested from the Minnesota Amateur Sports Commission. The deadline for submitting proposals is 4:00 p.m., Monday, August 14, 1989. Please direct proposals and inquiries to:

Paul D. Erickson  
Executive Director  
Minnesota Amateur Sports Commission  
c/o Minnesota Department of Trade & Economic Development  
900 American Center Building  
150 East Kellogg Blvd.  
St. Paul, MN 55101-1421  
telephone: 612/296-4845

### **Department of Trade & Economic Development**

#### **Minnesota Amateur Sports Commission**

##### **Notice of Request for Proposal for the Star of the North State Games**

The Minnesota Amateur Sports Commission (MASC) is seeking proposals from qualified individuals or corporations to assist the Commission with developmental and organizational tasks associated with the 1989 Summer, the 1990 Winter and Summer State Games. A grant of \$10,000 will be awarded to the most appropriate organization for the State Games.

The individual/firm would directly report to the State Games Director of the Commission.

Interested individuals will be required to respond to all the specifications contained in the Request for Proposals and will be required to submit or outline the potential program when responding to this request.

The deadline for submitting proposals is 4:00 p.m., Monday, August 14, 1989. Please direct proposals and inquiries to:

Paul D. Erickson  
Executive Director  
Minnesota Amateur Sports Commission  
c/o Minnesota Department of Trade & Economic Development  
900 American Center Building  
150 E. Kellogg Blvd.  
St. Paul, MN 55101-1421  
telephone: 612/296-4845

## Professional, Technical & Consulting Contracts

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### Department of Trade & Economic Development

#### Minnesota Amateur Sports Commission

#### Notice of Request for Proposal for Training Ski Jumps

The Minnesota Amateur Sports Commission (MASC) is seeking proposals from qualified individuals or firms to develop a training ski jump complex.

\$175,000 is available to grant to a qualified applicant.

The proposals must meet the following statutory requirements:

*Laws of Minnesota of 1989*, Chapter 335, Article 1, Section 26: \$175,000 the first year is appropriated to the amateur sports commission for a grant to a joint recreation board made up of three or more municipalities for feeder hills. This appropriation is to be matched with \$50,000 from sources other than the state general fund. This appropriation is available until June 30, 1991.

Interested organizations will be required to respond to all the specifications contained in the Request for Proposals and will be required to submit or outline the potential program when responding to this request.

The Request for Proposal contains detailed information. The project may be requested from the Minnesota Amateur Sports Commission. The deadline for submitting proposals is 4:00 p.m., Monday, August 14, 1989.

Paul D. Erickson  
Executive Director  
Minnesota Amateur Sports Commission  
c/o Minnesota Department of Trade & Economic Development  
900 American Center Building  
150 E. Kellogg Blvd.  
St. Paul, MN 55101-1421  
telephone: 612/296-4845

### Department of Transportation

#### Request for Proposal for Highway User Cost Allocation Study

The State of Minnesota, Department of Transportation, is seeking proposals from qualified, experienced consultants to conduct a Minnesota Highway User Cost Allocation Study.

The scope of the study includes state and local roads and all levels of revenue contribution. Based on study analysis results, the final report shall contain recommendation for changes in Minnesota's present highway financing structure which will help address any inequities that may have been found between a user group's (vehicle class) cost responsibility allocated and the revenue contributions made. Approximately \$300,000 will be available to fund the study. Responders subject to requirements of Minnesota Human Rights Act, *Minnesota Statutes* Section 363.073.

Proposals must be received by 5:00 P.M., August 22, 1989. It is expected that a consultant will be hired by mid-September, 1989.

The Study must be completed and the final report, with all deliverables submitted by September 25, 1990.

For a complete RFP or other information contact:

Charles Sanft, Director  
Truck and Economic Studies Section  
Room 820, Transportation Building  
John Ireland Boulevard  
St. Paul, MN 55155

This request does not obligate the State and the State reserves the right to cancel this solicitation.

All expenses incurred in responding to this request shall be borne by the responder.

## **Minnesota Veterans Home—Hastings**

### **Notice for Request for Proposal for Contract Services for Dental Care**

The Minnesota Veterans Home—Hastings (MVH-H) wishes to retain a contractor to provide for the dental care of residents of the MVH-H pursuant to health regulations. Specific contractor duties include: dental examinations and treatment of residents to maintain appropriate dental hygiene; provision of emergency dental care; provision of written reports of all dental examinations and treatment performed; submission of estimates of treatment to be provided and associated cost for approval, prior to treatment; marking of dentures with resident's name; and participation in quality assurance reviews and reports, as requested.

It is anticipated that the cost of this contract service will not exceed \$21,000 per year for professional services for two (2) years. Proposals must be received by 4:30 p.m. **August 18, 1989**. A copy of the Request for Proposal is available from:

Susan Kiley, Administrator  
Minnesota Veterans Home  
1200 East 18th Street  
Hastings, Minnesota 55033  
Phone (612) 437-3111

## **Minnesota Veterans Home—Hastings**

### **Notice for Request for Proposal for Contract Services for Eye Examinations and Fitting of Glasses**

The Minnesota Veterans Home—Hastings (MVH-H) wishes to retain a contractor to provide for eye examination and fitting of glasses for the residents of the Minnesota Veterans Home—Hastings pursuant to health regulations. Specific contractor duties include: provision of eye examinations and fitting of glasses for residents; provision of written records of examinations and fitting of glasses; and participation in quality assurance reviews and reports, as requested.

It is anticipated that the cost of this contract service will not exceed \$4,000 per year for professional services for two (2) years. Proposals must be received by 4:30 p.m. **August 18, 1989**. A copy of the Request for Proposal is available from:

Susan Kiley, Administrator  
Minnesota Veterans Home  
1200 East 18th Street  
Hastings, Minnesota 55033  
Phone (612) 437-3111

## **Minnesota Veterans Home—Hastings**

### **Notice for Request for Proposal for Contract Services for Health Care**

The Minnesota Veterans Home—Hastings (MVH-H) wishes to retain a contractor to provide for the health care of residents at the Minnesota Veterans Home—Hastings in accordance with health regulations. Specific contractor duties include: Medical Director of the Home; medical services and coverage to meet the medical needs of all residents; conducting annual medical review of each resident; maintenance of complete and appropriate records of all residents examined and treated; formulation of short and long range medical programs; provision of "on-call" services to meet medical needs of residents; examinations of all applicants for admission to the Home; participation in quality assurance reviews and reports; and membership on Quality Assurance, Utilization Management, Infection Control and Pharmacy Committees.

It is anticipated that the cost of the contract service will not exceed \$25,000 per year for professional services for two (2) years.

Proposals must be received by 4:30 p.m. **August 18, 1989**. A copy of the Request for Proposal is available from:

Susan Kiley, Administrator  
Minnesota Veterans Home  
1200 East 18th Street  
Hastings, Minnesota 55033  
Phone (612) 437-3111

# State Grants

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In addition to requests by state agencies for technical/professional services (published in the State Contracts section), the *State Register* also publishes notices about grant funds available through any agency or branch of state government. Although some grant programs specifically require printing in a statewide publication such as the *State Register*, there is no requirement for publication in the *State Register* itself.

Agencies are encouraged to publish grant notices, and to provide financial estimates as well as sufficient time for interested parties to respond.

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## Council on Disability

### Notice of Operating Support Grants to Statewide Arts Programs for Persons with Disabilities

The Minnesota State Council on Disability seeks proposals to make general operating support grants to statewide arts programs for persons with disabilities. The grants are authorized by *Minnesota Laws 1989*, Chapter 335, Article I, Section 41.

Application forms may be obtained from the Minnesota State Council on Disability. Applications must be received by the Minnesota State Council on Disability, 145 Metro Square Building, 7th Place and Jackson Street, St. Paul, Minnesota 55101, no later than 4:30 p.m., Monday, September 11, 1989. An advisory panel of the Council will review the applications. The full Council will consider the recommendations of the panel at the regular meeting scheduled for September 21, 1989.

The total amount of grant money available is \$50,000.

Agency contact: Ron Kaliszewski, (612) 296-1743.

## Housing Finance Agency

### Notice of Fund Availability and Request for Proposals for Homesharing Program

#### Introduction

The Minnesota Housing Finance Agency announces the availability of \$490,000 in grant funds to eligible sponsors for the purpose of establishing and/or operating Home Sharing Programs within the State of Minnesota. These funds were appropriated by the 1989 Minnesota Legislature. An additional \$10,000 will be made available to organizations representing homesharing service providers for the purpose of providing technical assistance to these providers in the operation and promotion of homesharing programs.

The MHFA will award grant funds to selected nonprofit organizations for the development and/or operation of homesharing programs throughout Minnesota. These programs should match low and moderate-income homeowners with homeseekers who contribute rent or services in exchange for sharing the home. At least one of the persons matched must be elderly, handicapped or developmentally disabled. This income and/or service should help homeowners stay in their homes longer than they would have without the tenants. No two homesharing situations are alike; each is tailored to the needs and desires of the people involved.

#### Applicant and Project Eligibility

Eligible grant applicants include nonprofit organizations that operate or propose to operate homesharing programs within the State of Minnesota. Eligible applicants also include housing authorities and units of local government.

#### Availability of Funds

Applicants may request any size grant to operate their program for two years, beginning September 1, 1989. However, it is the intent of this program to assist in the development of homesharing programs in both urban and rural sections of the state with as wide a distribution as possible.

Those sponsors selected to participate in this program should receive one-eighth (12½%) of their grant amount by September 1, 1989. The balance will be released in seven equal quarterly payments for the term of the program, based upon quarterly program progress reports from the sponsors.

#### Procedure

Applicants may request application packets by contacting staff at the MHFA. Any questions concerning the program or the application forms should also be directed to the MHFA staff.

Minnesota Housing Finance Agency  
400 Sibley Street, Suite 300  
St. Paul, MN 55101  
Attention: Rhonda Lundquist (612) 296-9822  
Steve Peacock (612) 296-9811

This Request for Proposals (RFP) is subject to all applicable federal, state and municipal laws, rules and regulations and may be amended from time to time. MHFA reserves the right to modify or withdraw this RFP at any time and is not able to reimburse any applicant for costs incurred in the preparation or submittal of applications.

Applications are due by 4:00 p.m. on August 15, 1989. Selections should be made by the end of August and all applicants will be notified at that time.

## **Housing Finance Agency**

### **Notice of Fund Availability and Request for Proposals Special Needs Housing Program**

The Minnesota Housing Finance Agency (MHFA) announces the availability of \$600,000 in grant funds to assist eligible organizations in the acquisition, construction, or rehabilitation of housing for homeless persons and low income individuals at risk of becoming homeless.

**ELIGIBLE PROJECTS:** Three types of housing are eligible for funding:

- Transitional housing for homeless individuals and families.
- Permanent housing for homeless individuals and families.
- Permanent housing for low income persons living alone.

Grant funds can only be used for acquisition, construction, or rehabilitation costs. Operating costs are **not** eligible for funding.

**ELIGIBLE APPLICANTS:** Eligible applicants are public agencies, limited dividend entities, and nonprofit entities that can demonstrate their ability to develop housing for homeless and near homeless persons.

**FUNDING PROCESS:** Applicants should request application packets from staff at MHFA.

Minnesota Housing Finance Agency  
400 Sibley Street Suite 300  
St. Paul, MN 55101  
Attention: Rhonda Lundquist (612) 296-9822  
Steve Peacock (612) 296-9811

**Applications are due by 4:30 PM on August 31, 1989.** An interagency committee will review the applications and should make recommendations for funding to the MHFA Board by September 22, 1989.

Applications must have matching sources of funds. Grants may not exceed 50% of development costs.

Any questions concerning the program or the application packet should be directed to Rhonda Lundquist (612) 296-9822 or Steve Peacock (612) 296-9811 at MHFA. Applicants are encouraged to discuss the feasibility of their project proposal with MHFA staff prior to submitting their application for funds.

For those applicants needing technical assistance with their applications, a training session will be held on Thursday, August 10 at 1:00 PM in Room 300 South at the State Office Building (100 Constitution Ave. St. Paul).

This Request for Proposals (RFP) is subject to all applicable federal, state and municipal laws, rules and regulations. MHFA reserves the right to modify or withdraw this RFP at any time and is not able to reimburse any applicant for costs incurred in the preparation or submittal of applications.

## **Pollution Control Agency**

### **Public Facilities Authority**

### **Applications Accepted for the Individual On-Site Wastewater Treatment Systems Grants Program, A Set Aside of the Independent State Grants Program for the Construction of Individual On-Site Wastewater Treatment Systems**

NOTICE IS HEREBY GIVEN that the Minnesota Public Facilities Authority (PFA) is accepting applications for the Individual On-Site Wastewater Treatment Systems Grants Program, a set aside of the Independent State Grants Program. This program was created to provide grants to municipalities to assist owners of individual on-site wastewater treatment systems to upgrade or replace their failed systems. (*Minnesota Statutes*, Sec. 116.18, subd. 3c (1988)). The Minnesota Pollution Control Agency (MPCA) will perform the necessary reviews and certify the grant award to the PFA, and the PFA will award the grant. The PFA has been authorized to set aside up to \$1,000,000 for this program.

## State Grants

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MPCA program requirements (*Minnesota Rules* parts 7075.1400 to 7075.1530) including eligibility and application requirements were published in the August 15, 1988 *State Register* (S.R. 388). Copies of the administrative rules are also available from the MPCA or the PFA.

Applications will be accepted for a period ending at 4:30 p.m. on Wednesday, November 1, 1989. If mailed, applications must be postmarked by November 1, 1989.

For additional information or an application packet, please contact:

Nancy Hunt  
Municipal Wastewater Treatment Section  
Division of Water Quality  
Minnesota Pollution Control Agency  
520 Lafayette Road  
St. Paul, MN 55155  
Phone: (612) 296-7210

Milan J. Thoreson  
Public Facilities Authority  
Minnesota Department of Trade and Economic Development  
Community Development Division  
900 American Center Building  
150 East Kellogg Blvd.  
St. Paul, MN 55101-1421  
Phone: (612) 297-1982

## Tax Court

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Pursuant to Minn. Stat. § 271.06, subd. 1, an appeal to the tax court may be taken from any official order of the Commissioner of Revenue regarding any tax, fee or assessment, or any matter concerning the tax laws listed in § 271.01, subd. 5, by an interested or affected person, by any political subdivision of the state, by the Attorney General in behalf of the state, or by any resident taxpayer of the state in behalf of the state in case the Attorney General, upon request, shall refuse to appeal. Decisions of the tax court are printed in the *State Register*, except in the case of appeals dealing with property valuation, assessment, or taxation for property tax purposes.

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### Tax Court—Regular Division

**Docket No. 4884—Dated: 20 July 1989**

**Laura E. Puckett, Appellant, vs. Commissioner of Revenue, Appellee**

The above-entitled matter came on for hearing before the Honorable Arthur C. Roemer, Judge of the Minnesota Tax Court, at the Courtroom of the Tax Court, 520 Lafayette Road, St. Paul, Minnesota. By agreement of the parties, the trial of this matter was bifurcated. Phase I of the trial was held on November 12, 19 and 20, 1987; Phase II of the trial was held on March 20, 1989.

Laura E. Puckett, the appellant, appeared *pro se*.

Michele M. Owen, Special Assistant Attorney General, appeared on behalf of the appellee during Phase I of the trial.

Jerilyn K. Aune, Special Assistant Attorney General, appeared on behalf of the appellee during Phase II of the trial.

The appeal in the instant case is from Orders of the Commissioner of Revenue disallowing deductions and assessing additional income tax for calendar years 1982 through 1985 and adjusting appellant's property tax refund for 1982.

During Phase I of the trial appellant sought to introduce evidence regarding appellant's entitlement to the types of deductions she claimed on her 1982 through 1985 Minnesota income tax returns. Appellee objected to many exhibits relating to categories of deductions claimed by the appellant which appellee alleged were not allowable and objected to evidence relating to those categories. The Court, following the filing of briefs on these issues, issued an Order and Memorandum dated March 7, 1988 determining which categories were allowable deductions (and evidence of the amount thereof was allowable). That Order and Memorandum is incorporated herein by reference.

Pursuant to the Order of March 7, 1988, Phase II of the trial was limited to introduction of evidence to substantiate deductions taken in those categories to which the Court had determined appellant was entitled: advertising, promotional materials, business use of car, dues and publications, depreciation on office furniture and equipment, business office, business entertainment, moving, and business start-up. At Phase II of the trial, the Court also allowed appellant to present any new evidence with respect to her entitlement to take a deduction for home office expenses. Following Phase II of the trial, the Court allowed the parties to submit additional legal briefs containing case law and other authority in support of their positions.

The Court, having heard and considered the evidence adduced at the hearing and upon all of the files and records herein, now makes the following:

#### **FINDINGS OF FACT**

1. At Phase II of the trial, appellant Laura E. Puckett stipulated in writing and on the record as follows:

Laura Puckett, the appellant, disagrees with certain assumptions.

1. Commissioner of Revenue audit is reasonable.
2. The Commissioner's disallowance of double deduction is reasonable (i.e.,  $[C + 2106] + A$ ).
3. Home office deductions are disallowable.

Apart from these disagreements she agrees with the audit figures (as contained in Exhibit 1 of the stipulation).

2. Appellant presented no evidence at Phase II of the trial to substantiate deductions taken in the categories of advertising, promotional materials, business use of car, dues and publications, depreciation on office furniture and equipment, business office, business entertainment, moving, and business start-up.

3. Appellant was a cash basis taxpayer during the years 1982 through 1985.

4. On her 1982 through 1985 Minnesota income tax returns, appellant claimed numerous deductions on Minnesota Schedule A for expenditures that had already been claimed as deductions on Federal Schedule C or Federal Form 2106.

5. The decision to audit appellant's returns was at least in part based on the fact that identical deductions appeared to have been taken both on Minnesota Schedule A and Federal Schedule C or Federal Form 2106.

6. Appellant was employed as a psychology teacher at North Hennepin Community College during 1982 through 1985.

7. Additionally, appellant was self-employed as a licensed consulting psychologist in Minneapolis beginning July, 1982.

8. Appellant also conducted research, published research papers, and presented speeches covering her research activity.

9. Appellant derived no income from her research activities.

10. Appellant's research was not required by her employer North Hennepin Community College.

11. Appellant was provided with a private office at North Hennepin Community College.

12. Appellant's use of her home for research activities was not for the convenience of her employer.

13. Appellant maintained an office in the IDS Center in Minneapolis, Minnesota, from which she conducted her business as a licensed consulting psychologist.

14. During the years 1982 through 1985, appellant resided in a one-bedroom apartment at 1300 West Medicine Lake Drive, Minneapolis, Minnesota, which consisted of a bedroom, a bathroom, a kitchen, and a combination living and dining room.

15. No portion of appellant's dwelling was used exclusively for business.

16. The Court's Order and Memorandum dated March 7, 1988 (Exhibit "A" attached hereto), as well as the Memorandum attached to this Order, are hereby incorporated into these Findings of Fact by reference.

#### **CONCLUSIONS OF LAWS**

1. The decision of the Commissioner of Revenue to audit appellant based on the appearance of double deductions on Minnesota Schedule A and Federal Schedule C or Federal Form 2106 was reasonable.

## Tax Court

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2. Appellant is not entitled to claim itemized deductions on Minnesota Schedule A for expenditures that have already been claimed as a deduction on Federal Schedule C or Federal Form 2106.

3. Appellant is not entitled to any deduction for home office expenses because she did not establish that any portion of her apartment was used exclusively for business purposes nor that use of her home for business purposes was required as a condition of her employment.

4. Appellant has failed to establish that she is entitled to any deductions on her 1982 through 1985 Minnesota income tax returns in addition to those allowed by the Commissioner of Revenue in his Orders dated November 11, 1986 and July 1, 1987.

5. The Orders of the Commissioner of Revenue dated November 11, 1986 and July 1, 1987, relating to appellant's 1982 through 1985 Minnesota income tax returns and appellant's 1982 Minnesota property tax refund return are hereby affirmed.

LET JUDGMENT BE ENTERED ACCORDINGLY. A STAY OF 15 DAYS IS HEREBY ORDERED.

BY THE COURT,  
Arthur C. Roemer, Judge  
Minnesota Tax Court

## Supreme Court Decisions

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### Decisions Filed 28 July 1989

**C9-88-1777** In the Matter of Arbitration Between Metropolitan Airports Commission, petitioner, Appellant v. Metropolitan Airports Police Federation. Hennepin County.

1. The supreme court and the court of appeals have independent constitutional authority to grant discretionary review of cases which are not otherwise appealable.

2. A court of appeals decision denying discretionary review does not preclude the supreme court from exercising its authority to do so.

3. A trial court should confirm an arbitrator's award if the arbitrator considered the merits of the dispute and the award reflects the essence of the collective bargaining agreement.

Reversed and arbitrator's award reinstated. Popovich, C.J.

Concurring in part, dissenting in part, Simonett, Keith, JJ.

**C4-88-2593** In Re the Matter of: Everett Schmidt. Carlton County.

1. *Minnesota Statutes* § 253B.03, subd. 6a (1988), by providing procedures preliminary to the administration of neuroleptic medications in the treatment of incompetent, mentally ill patients, does not facially violate the patient's right to privacy guaranteed by the Minnesota Constitution.

2. An involuntarily committed incompetent mentally ill patient in a state treatment center is not deprived of any due process rights of notice, hearing, or to counsel by the procedures enumerated in *Minnesota Statutes* § 253B.03, 6a (1988), regulating the administration of neuroleptic medications.

Affirmed. Kelley, J.

### Orders

**C6-89-340** In Re Petition for Disciplinary Action Against Michael R. Clasen, an Attorney at Law of the State of Minnesota.

Disbarred. Popovich, C.J.

**C9-89-1076** In Re Petition for Disciplinary Action Against William G. Mose, an Attorney at Law of the State of Minnesota.

Publicly reprimanded. Kelley, J.

**CX-89-1152** In Re Petition for Disciplinary Action Against Donna Rae Johnson, an Attorney at Law of the State of Minnesota.

Publicly reprimanded. Kelley, J.



# Announcements

**Environmental Quality Board (EQB):** Comments are due August 23 on the Environmental Assessment Worksheets (EAWs) for the following projects at their listed regional governing units: **Wildwood Subdivision**, City of East Bethel (612) 434-9569; **Cass County CSAH 46**, Cass County (218) 547-1211; **Central States Diversified Flexographic Printing Plant**, MN Pollution Control Agency (MPCA) (612) 296-7275; **Jerome Faribo Foods—Deerfield Twp.**, MPCA (612) 296-7275; **Thermoform Plastics, Inc.**, White Bear Township (612) 429-5827. • An EAW and draft scoping decision documents are now available to allow interested persons to participate in the scoping of an environmental impact statement (EIS) for **Potlatch Cloquet Pulp Mill Expansion**, contact MPCA (612) 296-7796. • A decision on the scope of the following EISs has been made by the RGU and preparation of the draft EIS has commenced: **Dakota County Resource Recovery Project**, Metropolitan Council (612) 291-6359; **Minnesota Industrial Containment Facility**, Metropolitan Council (612) 291-6359. • A public hearing will be held on Tuesday, August 15 at 7pm in the 4-H Bldg on the Goodhue County Fairgrounds in Zumbrota to discuss the regrading and surfacing of an 8.6 mile section of **TH 58—Zumbrota to Goodhue**. Written comments must be submitted to MnDOT district engineer by August 23, (507) 285-7374. • Petitions for environmental review have been received at the regional governing unit for the listed following projects: City of Duluth—**U.S. Marines Mock Assault—Minnesota Point, Duluth**; MN Dept. of Military Affairs—**“Snoopy” Military Operations Area Airspace Boundary Change**; Gnesen Township—**Gnesen Township Gravel Mine**. • The regular meeting of the EQB will be Thursday, August 17 at the Metropolitan Council Chambers, St. Paul (612) 296-2603.

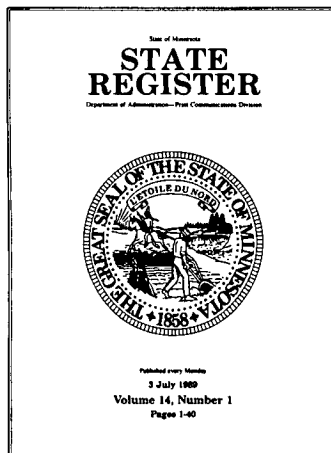
**Auction of Lakeshore Lots with Homes or Cabins:** The sale of 158 lakeshore lots in northern Minnesota has been scheduled at four locations for Aug. 21-23. The properties, which include homes or cabins, have a total appraisal value of approximately \$4.9 million, with land valued at approximately \$2 million and improvements valued at \$2.9 million. • The properties have been leased to private parties by the Minnesota Department of Natural Resources (DNR). The sales are mandated by the Minnesota Legislature. The lessees and most other people are eligible to bid on the lands, but state employees and employees of the state's political subdivisions (county, city, township and school district employees) are prohibited from purchasing state lands. • The lakeshore lands will be sold at public auctions for cash or by contracts for deed. If the buyers are not the current lessees, the full value of lessee-owned improvements (such as cabins or homes) must be paid to the lessees in cash (or on terms agreeable to the lessees) within 15 days of the sale. • The lands will be sold free of any previous taxes and assessments, but they will be taxable following the sale. Closing costs of \$1,000 per lot will include expenses for surveys, appraisals, advertising, and auctions. • State financing will be available on very favorable terms for the purchase of the state land (not including buildings or other improvements). Terms for this year's sale include: 20-year, fixed-rate financing at 8 percent; 10 percent minimum down payments; annual installments; on-the-spot contract closings; and no points or loan origination fees. Prospective bidders are advised to make their own advance arrangements for financing to pay lessees for property improvements. • The DNR currently has approximately 1,660 lakeshore leases on 91 lakes in 11 counties. Some lots have already been sold, and additional sales will be held. The first DNR priority is to sell properties that current lessees have asked to be sold. All leased lots will be offered for sale by 1998. • The DNR began leasing lakeshore cabin sites early this century. The program continued until 1973, when a new state law prohibited any new leases from being issued. In 1988, a special act of the Minnesota Legislature made these lakeshore sites available for sale.

The next sales are scheduled for the times and places listed below:

- Monday, Aug. 21, 10 a.m., Elks Club, 202 South Fourth St., Brainerd, for Crow Wing County lots on Black Hoof, Daggett and Greer lakes. Bidder registration at 9 a.m.
  - Monday, Aug. 21, 4 p.m., American Legion Post 134, Front St., Walker for Cass County lots on Leech, Winnie, Woman, and Ada lakes. Bidder registration at 3 p.m.
  - Tuesday, Aug. 22, 1 p.m., Holiday Inn, Highway 53, Eveleth, for St. Louis County lots on Kabetogama and South Sturgeon lakes. Bidder registration at 11 a.m.
  - Wednesday, Aug. 23, 1 p.m. Sawmill Inn, Grand Rapids, for Itasca County lots on Burnt Shanty, Grave, Long, Owen, Pokegama, Turtle, Twin, Beatrice, and South Sturgeon lakes. Bidder registration at 11 a.m.
- Open houses on these 158 lots have been scheduled for the first three weekends in August. Prospective purchasers may view the lots and improvements at the times and places listed below.
- Aug. 5 and 6, 9 a.m. to 5 p.m. Leech, Winnie, Woman, and Ada lakes, all in Cass County.
  - Aug. 12 and 13, 9 a.m. to 5 p.m. Burnt Shanty, Grave, Long, Owen, Pokegama, Turtle, and Twin lakes all in Itasca County.
  - Aug. 19 and 20, 9 a.m. to 5 p.m. Black Hoof, Daggett, and Greer lakes in Crow Wing County; Kabetogama and South Sturgeon lakes in St. Louis County; Beatrice and South Sturgeon lakes in St. Louis County.

In addition to these open houses, seminars on buying real estate at auction will be held by the DNR and Joe Maas International of Rochester, who is under contract with the DNR. The seminars will be held on: Monday, Aug. 14, 7 p.m., Minneapolis, at the Sheraton Airport Hotel; Tuesday, Aug. 15, 7 p.m., Brainerd Elks Club; Wednesday, Aug. 16, 7 p.m., Eveleth Holiday Inn; Thursday, Aug. 17, 7 p.m., Grand Rapids Sawmill Inn. • Lakeshore lot sales for 1990 will be held in June and possibly August. Appraisal assignments have been made for the June sale so that appraisal inspections can be conducted this summer and fall, prior to snowfall. Those lessees whose plats will be scheduled for the June 1990 sale have been notified by certified mail. • For more information about the auctions, contact the Auction Hotline at (800) 962-7095, or the DNR Bureau of Real Estate Management at (800) 652-9747 (ask for the DNR Lakeshore Sales). Out-of-state callers may call (612) 296-0629.

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